

CABINET – 5 December 2013 EXECUTIVE SUMMARY OF AGENDA ITEM 9

REPORT TITLE: Council Tax Reduction scheme 2014/15
Ward(s): Citywide
Strategic Director: Angie Ridgwell Interim Strategic Director
Business Change
Report author: Julia James/Service Director Integrated Customer Services
Contact telephone no. 0117 35 26218
& e-mail address: julia.james@bristol.gov.uk

Purpose of the report:

To recommend a new local Council Tax Reduction (CTR) scheme from 1 April 2014 as required by the Local Government Finance Act 2012.

RECOMMENDATION for Cabinet approval:

- 1. To note the outcomes of public consultation on both options**
- 2. To recommend approval at Full Council for option 2 (20,100 working age, low income households are billed for a minimum of 25% of their Council Tax liability) for implementation**
- 3. To recommend following the statutory requirement to consider further assistance under s13A(1)(C) of the Local Government Finance Act 1992 that £200k is set aside to a hardship fund to help some of those people who are unable to pay the additional liability if option 2 is approved**

Key background / detail:

a. Purpose of report: To support officer's recommendation that Bristol City Council adopts option 2 as its CTR scheme for 2014/15.

b. Key details:

1. As part of the government's ongoing reform of welfare, a local CTR scheme is required to be in place each financial year since April 2013 when this replaced the national Council Tax Benefit scheme.
2. In 2013/14, grant funding for CTR was identified separately as £30.2m in the authority's financial settlement from central government. From 2014/15 this funding will not be separately identified and will form part of the overall settlement. In addition in 2014/15 there will not be the one off transitional grant of £0.8m made available to Bristol in 2013/4 to those limiting reductions in benefit of less than 8.5%.
3. Bristol City Council is the only core city authority to have fully funded the scheme in 2013/14, with any future scheme having to be considered in the light of the Council's wider budget and the significant financial pressures faced.

4. There continues to be a shortfall between the loss of revenue under the existing local scheme and central government funding, with neither proposed scheme for 2014/15 being cost neutral.
5. The two options that went out for consultation were;
 - Option 1 - continue to fully fund the CTR scheme, or
 - Option 2 - 20,100 working age, low income households' support is reduced by 25%
6. The gross difference to Bristol City Council between option 1 and 2 is £4.5m (i.e. £35.2m and £30.7m respectively), with the net difference being £1.8m due to additional costs related to anticipated additional customer contact and collection costs.
7. There were 3,760 responses to the consultation
 - 54.5% of respondents in favour of Option 1
 - 45.5% of respondents in favour of Option 2
8. Government has imposed various restrictions on any scheme including not passing any reductions on to pensioners.
9. The cumulative impact of welfare reform changes is as yet little understood. Passing the shortfall onto low income recipients already facing welfare reform benefit changes will have social and economic impacts but these are difficult to quantify.
10. There are costs to the Council of administering and collecting tax from low income citizens.
11. Any scheme can be changed annually. A review may be needed again in 2015/16 alongside the national review of the CTR system
12. Under any local scheme there is a statutory requirement to consider further assistance under s13A(1)(C) of the Local Government Finance Act 1992. It is therefore recommended that £200k is set aside to a hardship fund to help some of those people who are unable to pay the additional liability if option 2 is approved.
13. A scheme must be agreed by Full Council by 31st January 2014 or the existing scheme continues.

**BRISTOL CITY COUNCIL
Cabinet Report
5 December 2013**

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Ward(s) affected by this report: Citywide

Strategic Director: Angie Ridgwell Interim Strategic Director
Business Change

Report author: Julia James/Service Director Integrated Customer Services

Contact telephone no. & e-mail address: 0117 35 26218
julia.james@bristol.gov.uk

Purpose of the report:

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RECOMMENDATION for Cabinet approval:

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- 3. To recommend following the statutory requirement to consider further assistance under s13A(1)(C) of the Local Government Finance Act 1992 that £200k is set aside to a hardship fund to help some of those people who are unable to pay the additional liability if option 2 is approved.**

The proposal

- Bristol City Council adopts option 2 as its CTR scheme for 2014/15.
- The CTR scheme is put in place for 2014/15 and with an option to further review so that a different scheme can potentially be put in place for 2015/16 based on the further intelligence.
- The recommended scheme will be published in full on Bristol City Council's website and available on paper by request from the Revenues and Benefits Service.
- An exceptional hardship fund of £200k is set aside to assist those affected.

Summary

1. As part of the government's ongoing reform of welfare, a local CTR scheme is required to be in place each financial year since April 2013.
2. In 2013/14, grant funding for CTR was identified separately as £30.2m in the authority's financial settlement from central government. From 2014/15 this funding will not be separately identified and will form part of the overall settlement. It will not include the one off transitional grant of £0.8m made available to Bristol in 2013/14 to those limiting reductions in benefit to less than 8.5%.
3. Bristol City Council is the only core city authority to have fully funded the scheme in 2013/14.
4. There continues to be a shortfall between the loss of revenue under the existing local scheme and central government funding, with neither proposed scheme for 2014/15 being cost neutral.
5. The two options are;
 - Option 1 - continue to fully fund the CTR scheme, or
 - Option 2 - 20,100 working age, low income households' support is reduced by 25%.
6. The gross difference to Bristol City Council between option 1 and 2 is £4.5m (i.e. £35.2m and £30.7m respectively), with the net difference being £1.8m due to additional costs related to anticipated additional customer contact and collection costs.
7. The significant other issues in the report include;
 - A scheme must be agreed by Full Council by 31st January 2014 or the existing scheme continues
 - This scheme and its costs whether option 1 or option 2 has to be considered in the light of the Council's wider budget and the significant financial pressures faced.
 - The cumulative impact of welfare reform changes is as yet little understood on citizens
 - Passing the shortfall onto low income recipients already facing welfare reform benefit changes will have social and economic impacts but these are difficult to quantify.
 - The costs to the Council of administering and collecting tax from low income citizens are high and remain uncertain despite increased intelligence
 - Government has imposed various restrictions on any scheme including not passing any reductions on to pensioners

Policy

8. The Welfare Reform Act 2012 is the most significant change to the welfare system in decades and is transforming the current benefits system across the United Kingdom. This act included the abolition of the national Council Tax Benefit scheme, to be replaced by a local Council Tax Reduction scheme, designed and implemented by each Local Authority. Expenditure has been reduced as part of the Government's plans to reduce the national welfare bill and contribute to the budget deficit reduction, by giving councils fixed grants as opposed to them receiving full subsidy in respect of all benefit payments made.

9. As part of these changes the government expects welfare reform to reduce the overall benefits bill by £18 billion by 2014/15, which for Bristol equates to £141.2m per annum and is equivalent loss of £480 per working age adult per annum.
10. It is also worth noting that of the 20,100 households affected;
- 66 will also be affected by the benefit cap (39% of those households capped with a reduction of £54.39 per week on average)
 - 2,642 will also be affected by the under occupation 'bedroom tax' (69% of those households already receiving a reduction of £14.70 per week on average)
11. Any revised local scheme must be agreed by 31 January 2014 or the existing local scheme must continue.
12. If the decision is made to approve option 2 the gross saving to Bristol City Council will reduce from £4.5m to £1.8m. This is due to expected levels of bad debt, costs of administration/collection and need for a hardship fund, estimated at £2.7m per annum. This is fully illustrated in table 2.
13. The pension age scheme rules have already been determined by national legislation, but local authorities do have the powers to implement its own working age scheme, alongside some limited national prescribed rules.
14. Pensioner age is defined as a household where the claimant or partner has attained State Pension Credit age. From April 2014 this is approximately 62 years old.
15. Any working age scheme must attempt to promote work incentive and fairness as well as protecting low income pensioners and certain vulnerable groups in compliance with statutory duties under existing legislation below:
- Child Poverty Act 2010
 - Disabled Persons Act (Services, Consultation & Representation) Act 1986, and the Chronically Sick and Disabled Persons Act 1970
 - The Housing Act 1996 and duty to prevent homelessness
 - Equality Act 2010
 - Armed Forces Covenant 2011
16. Option 2 contains protection from any reduction in line with the statutory duties above and types of households and numbers are shown in table 1 below.

Definition	Numbers
Total number of vulnerable households	8,782
Lone Parents/Children Lone Parents with children under 5	3,663
Disability Any family member in receipt of Disability Living Allowance (middle or high rate) or Personal Independence Payment (PIP) equivalent - Daily Living Component (standard to enhanced rate)	3,406
Disabled children Any child in receipt of DLA or PIP equivalent	948
Carers Claimant or Partner in receipt of Carers Allowance/Carers Premium	2,028

Armed Forces Covenant Claimant or Partner in receipt of any War Pension/Payment	20
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Please note that some of these households when broken down in to various groups may also appear in other groups, therefore overall total of each group exceeds 8,782.

17. If a scheme is changed any transitional protection must be considered for those potentially affected, but has not been included in the 2014/15 options due to the additional burden it would place on those not directly benefiting from it but are also on low incomes.

18. In reviewing Bristol's 2013/14 scheme the authority is required to;

- Consult any major precepting authority which has the power to issue a precept to it
- Publish a draft scheme in such a manner it thinks fit and;
- Consult with such other persons as it considers likely to have an interest in the operation of the scheme

19. Bristol City Council has consulted the precepting authorities, published a draft scheme and consulted widely.

Consultation

20. A thorough and robust approach to consultation was adopted in order to take account of public opinion regarding the Council's choices in reviewing its scheme. Considerations have also been made to mitigate the potential challenges regarding equality, transparency and legal issues.

21. Consultation has taken place with the precepting authorities (Avon and Somerset Police and Crime Commissioner and Avon Fire Authority) as legally required and due to the large stake they have in absorbing any additional costs. Both precepting authorities have stated a preference for option 2 being adopted.

22. Public consultation was held from the 26th July to 27th September 2013 and until 18th October 2013 for voluntary and community sector groups and consisted of targeted e-mail survey requests to a sample of CTR recipients, Council Tax payers and voluntary groups, plus an open survey.

23. The headline results of the consultation are shown below;

- There were 3,760 responses to the consultation
- 54.5% of respondents in favour of Option 1
- 45.5% of respondents in favour of Option 2

The full results of which are in appendix 3

Context

24. This scheme and its costs whether option 1 or option 2 has to be considered in the light of the Council's wider budget and the significant pressures faced.

25. Bristol City Council currently pays around £40.3m each year in CTR to around 44,800 claimants, supporting 1 in 4 Bristol households. Approximately 28,900 (64.5%) of recipients are of working age representing around 53% of expenditure. Approximately 15,900 (35.5%) are of pensionable age representing 47% of expenditure.

26. Bristol is the only core city authority to fully absorb the shortfall in government funding in 2013/14, on the basis that welfare reform implications were not known for citizens. We have reviewed the progress and impact of the other core cities in 2013/14 in reaching the recommendation to choose option 2 in 2014/15.

27. In order to inform the cost of a local scheme for 2014/15 and assist scheme design options, the following assessments have been made. The updated equivalent cost calculation to Bristol City Council for CTR in 2014/15, allowing for a 0% growth in future claims and potential Council Tax rise of 2% would be £35.1m (option 1) or £30.7m (option 2). Note that a decision has not yet been taken as to whether there will be a rise in Council Tax for 2014/15.

28. Table 2 below shows the estimated overall costs for the 2014/15 scheme based on the 2 options being proposed. The additional costs associated with operational administration are included where appropriate. This shows a difference in cost to Bristol City Council of £1.8m between options 1 and 2 with option 2 being cheaper.

	Option 1 £000	Option 2 £000	Difference £000
Estimated scheme cost	40,340	35,209	5,131
Allowance for claim growth (0%)	0	0	0
Estimated Council Tax increase (2%)*	807	704	103
Estimated gross cost of scheme 2014/15	41,147	35,914	5,233
BCC proportion of total cost (85.5%)**	35,181	30,706	4,474
Additional Costs dependant on Option			
Estimated losses on collection (40%)	0	1,790	-1,790
Additional Administration costs			
Front Office			
Staffing	0	383	-383
Other	0	0	0
Back Office			
Staffing	0	240	-240
Other	0	16	-16
Statutory fund to make exceptional payments	0	200	-200
Estimated net saving to BCC in reduced entitlement to CTR to 20,000 claimants			1,845
Sensitivity Analysis			
If collection 5% better estimated net saving			2,069
If collection 5% worse estimated net saving			1,622

Table 2 includes a sensitivity assessment of the potential impact on scheme costs depending on levels of Council Tax collection of +/- 5%

** Please note that a decision has not yet been taken as to whether there will be a rise in Council Tax for 2014/15*

*** The additional 14.5% is a cost to the precepting authorities (Avon and Somerset Police and Crime Commissioner and Avon Fire Authority)*

29. Appendix 1 shows a more detailed breakdown of the costs above and assumptions they were made from.

30. Each option presents a significant cost to the Council and its preceptors. The financial cost to continue its existing scheme must be considered against the financial cost and socio economic impacts of a scheme that reduces the current level of CTR entitlement for around 20,100 households.

31. The estimated additional administrative cost to implement an unfunded CTR scheme is £639k. This estimate has been made due to assumptions in appendix 1, based on experience of other comparable councils who have adopted a CTR scheme similar to option 2. This takes in to account that 70% of CTR recipients would receive both a bill for the first time or an increase in their Council Tax bill in 2014/15 and an estimated 30% increase in customer contact. The experience of other councils continues to be monitored to assess any changes in patterns of demand as the first year of CTR schemes progress.

32. Under any local scheme there is a statutory requirement to consider further assistance under s13A(1)(C) of the Local Government Finance Act 1992. It is therefore recommended that £200k is set aside to a hardship fund.

33. For information purposes, many local authorities are consulting on new proposals for 2014/15. There is no other core city and only one other like authority absorbing the cost with all others choosing to pass on some or all of the shortfall. A summary of their existing 2013/14 and proposed 2014/15 schemes are detailed in table 3.

Local Authority	2013/14	2014/15
Birmingham	20% reduction – with protection for some protected groups. Includes a £500k hardship fund	No change
Bradford	25% reduction	No change , but considering adding protection for some disability groups
Coventry	Default scheme	No change
Hull	8.5% reduction	20% reduction
Kirklees	29% reduction - with protection for some protected groups	No change
Leeds	19% reduction - with protection for some protected groups	No change, but considering adding protection for some groups and varying taper; plus introducing discretionary scheme
Leicester	20% reduction, plus limited to a Band B liability, minimum award at £3.60pw and reduced capital limit of £6,000	No change
Liverpool	8.5% reduction	Not known
Manchester	8.5% reduction	15% reduction and abolishing second adult rebate
Middlesbrough	20% reduction and increase in	No change

	earnings disregard	
Newcastle	8.5% reduction	20% reduction
Nottingham	8.5% reduction	Not known
Sheffield	23% reduction and £500k hardship fund	Not known
Southampton	8.5% reduction and taper increased from 20% to 25%	16% reduction and taper stays at 25%
Wakefield	30% reduction plus a number of other minor changes	Not known

34. Table 4 highlights the increased collection activities and estimated CTR collection rates (where known). This demonstrates the need to make allowance for additional collection costs.

Local Authority	2013/14
Bradford	Estimated collection rate for CTR customers = 65%
Hull	End of May 50% of CTR recipients issued with reminder notices and collection from CTR recipients 67%
Kirklees	Increase of 11,000 in Reminders and 6,000 in Summons
Leeds	Estimated collection rate for CTR customers = 55%
Leicester	Increase of 14,600 in Reminders, 4,200 in Summons and 2,600 Final Notices. (93%, 72%, 322% increases respectively)
Liverpool	86,500 additional recovery documents issued
Manchester	Increase of 17,000 Summons issued. End of July collected 30% with 2,500 accounts paid in full
Newcastle	End of May 35% more Reminders issued compared to 2012 (not solely CTR recipients)
Sheffield	Increase of 25,000 in Reminders and 13,000 in Summons issued
Wakefield	Increase of 6,300 in Reminders and 400 in Summons (37% and 10% respectively)

Please note that any estimates have been provided as of 30th September 2013 (unless noted otherwise).

35. Table 5 highlights the increased customer demand and cost, demonstrating the need to factor in additional customer service costs.

Local Authority	2013/14
Leeds	Council Tax enquiries up 79%* 12 additional recovery staff to deal with extra calls
Leicester	Increase of 10,800 Local Tax and 4,500 Benefits phone calls (46%, and 17% respectively). Increase of 2,900 Local Tax and 250 Benefits reception visits (54%, and 2% respectively)*
Manchester	Increase of 5,700 Local Tax and Benefits phone calls Increase of 4,400 Local Tax and Benefits reception visits (15% and 73% respectively).**
Wakefield	Increase of 8,100 Local Tax and Benefits phone calls Increase of 3,000 Local Tax and Benefits reception visits (62% and 14% respectively).*

* Increases are by comparison from Q1 2012/13 to Q1 2013/14

** Increase by comparison from September 2012/13 to September 2013/14

Consultation and scrutiny input:

a. Internal consultation:

- Resources Scrutiny meeting
- Corporate Services Finance Business Partner
- ICS Management Accountant
- Consultation, Research and Intelligence team
- Equalities team

b. External consultation:

- Public and voluntary sector consultation – 9 and 12 week periods respectively
- Precept authorities

Other options considered

- 1) Mid-point option of a 12.5% reduction
- 2) Amending some existing features within the current scheme, such as abolishing second low adult reductions and lowering capital cut off levels

These options were not progressed due to;

- The high likelihood of adverse impact on collection levels, additional administration costs associated with very small sums and increases in customer demand associated with changes affecting over 20,100 citizens
- Disproportionate equalities impact or financial viability
- Limited impact on reducing the cost of the scheme

Discussions were held with neighbouring authorities, Core Cities and London Boroughs to share ideas, consider the risks and implications and develop options.

Risk management / assessment:

FIGURE 1							
The risks associated with the implementation of the (CTR) decision :							
No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (i.e. controls) and Evaluation (i.e. effectiveness of mitigation).	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	Failure to undertake appropriate statutory consultation will leave scheme open to challenge	High	Medium	Consultation plan will be agreed with communications and consultation team. Include VCS organisations and Equalities groups Complete EQIA Consultation to be structured to fit Council approvals process	High	Low	J James
2	The option which passes on reductions in levels of entitlement will mean high likelihood of economic hardship and increasing debt.	High	Medium	Full options appraisal undertaken to asses numbers affected and impacts Full EQIA completed	Medium	Medium	J James

	This could have significant negative impact on administration costs, Council Tax collection and increases in customer demand						
3	Amendments to the current scheme will mean changes to software and the need to review and amend operational processes and procedures	High	Medium	Proposals are known to be deliverable by software company. Close working with software suppliers. Establishment of robust testing processes. Officer group established to plan operational implementation	Medium	Low	J James

FIGURE 2

The risks associated with not implementing the (CTR) decision:

No.	RISK Threat to achievement of the key objectives of the report	INHERENT RISK (Before controls)		RISK CONTROL MEASURES Mitigation (i.e. controls) and Evaluation (i.e. effectiveness of mitigation).	CURRENT RISK (After controls)		RISK OWNER
		Impact	Probability		Impact	Probability	
1	Failure to take a decision will mean the need to develop further proposals, which will require Cabinet approval for public consultation. The timetable for this could be prohibitive in ensuring required statutory consultation and relevant council approvals, meaning the scheme open to challenge	High	High	Alternative proposals to pass on the cut in funding to CTR recipients are prepared Contingency plan to be agreed to prepare alternative consultation materials should a different scheme be proposed to the recommendations	High	Medium	Julia James
2	Affordability of a scheme which passes on a cut in entitlement will be difficult for citizens and compounded by other welfare changes, which could lead to greater poverty and in the worst case public protests.	High	High	Alternative proposals to fully consider vulnerable groups and reference wider welfare reform changes	High	Medium	Julia James

**Public sector equality duties:
Note Draft EQIA in progress**

We have identified those households who are most likely to be affected by the introduction of the proposal and compared those to the make-up of our overall customer base to identify any equality groups that may be disproportionately affected.

There will be financial mitigation for those people of working age and deemed 'vulnerable' in that they will be protected from any change.

For the small number of households that are adversely affected by comparison to the general populous only, the changes will be appropriately communicated to those affected.

The draft EqIA has also been circulated to 'voice and influence' groups who may be disadvantaged as a result of these changes for the opinion on this assessment and to engage with the consultation process.

The final EqIA will be signed once all of the open ended answers to the consultation exercise have been collated and any appropriate actions proposed as a result of this feedback.

Eco impact assessment

There are no significant environmental impacts arising from this proposal.

Advice given by:- Steve Ransom Environmental Performance Programme Co-ordinator

Date 22nd October 2013

Resource and legal implications:

Finance

a. Financial (revenue) implications

Bristol's estimated proportion of the overall scheme cost if left unchanged (option 1) is £35.2m. The estimated net cost for option 2 is £33.3m i.e. an overall reduction in cost of £1.8m (due to rounding).

This reduction in cost will be reflected by a higher Council Tax Base tax base of approximately 1,900 band D equivalent dwellings which will increase income by £2.7m however set against this are estimated additional revenue costs for which provision must be made of £0.6m for staffing and £0.2m to create a statutory payments fund.

b. Financial (capital) implications:

None

Advice given by Alison Kearney Finance Manager

Date 23 October 2013

c. Legal implications:

The Welfare Reform Act 2012 and Local Government Finance Act 2012 requires the Council to implement a Local Council Tax Reduction (CTR) scheme and this was implemented by the Council for 2013/2014. The recommendation in this report asks the Mayor to Note the outcomes of public consultation and to recommend a decision for approval by Full Council of a) Option 2 and b) to set aside a discretionary hardship fund of £200,000, as set out in the recommendations section of this report.

Any amendments to the CTR Scheme have to be approved by Full Council. A further report will be presented to Full Council in December 2013 for approval of the CTR Scheme for 2014/15.

Advice given by Penny Wilford Team Leader Legal Services
Date 24th October 2013

d. Land / property implications:

No implications arising from this report

Advice given by Ian Smith Project Leader Corporate Property
Date 21st October 2013

e. Human resources implications:

The recruitment of additional staff will be carried out in accordance with the Council's Policy. Otherwise there are no other HR implications arising from this report.

Advice given by Rachel Falla HR Business Partner
Date 23 October 2013

Appendices:

- Appendix 1 - Detailed costings of Options 1 and 2
- Appendix 2 - Draft EQIA
- Appendix 3 - CTR consultation results

Access to information (background papers):

- [20 December 2012 Cabinet report 'Options for a decision on the introduction of a new Council Tax Reduction scheme'](#) – agenda item 7
- [15 January 2013 Full Council report ' Council Tax Reduction scheme'](#) – agenda item 9A
- [Institute of Fiscal Studies May 2012 'Reforming Council Tax Benefit'](#)
- [Sheffield Hallam report April 2013: 'Hitting the poorest places hardest'](#)
- [Local Government Association August 2013:Local impacts of welfare reform](#)

Estimated Cost of Options

		Option 1	Option 2	Cost difference between options
		£000	£000	£000
Estimated Scheme Cost		40,340	35,209	5,131
Allowance for Claim Growth	0.0%	0	0	0
		<hr/>	<hr/>	<hr/>
		40,340	35,209	5,131
Estimated Council Tax increase	2.0%	807	704	103
		<hr/>	<hr/>	<hr/>
Estimated Gross cost of Scheme 2014/15		<u>41,147</u>	<u>35,914</u>	<u>5,233</u>
BCC proportion of total Cost	85.5%	35,181	30,706	4,474
<u>Additional Costs dependant on Option</u>				
Estimated Losses on Collection	40.0%	0	1,790	-1,790
Additional Administration costs				
<u>Front Office</u>				
Staffing (30% increase in demand)		0	383	-383
Other (will need to detail)		0	0	0
<u>Back Office</u>				
Staffing		0	240	-240
Other (will need to detail)		0	16	-16
Statutory Fund to make exceptional payments		0	200	-200
		<hr/>	<hr/>	<hr/>
		35,181	33,335	
Estimated Net saving to BCC to reduce entitlement of CTR to 20,000 claimants				<u>1,845</u>
Sensitivity Analysis				
If Collection 5% better Estimated net Saving				2,069
If Collection 5% worse Estimated net saving				1,622

Equality impact assessment – *IN PROGRESS***Localised Council Tax Reduction scheme – 2014/15**

Directorate and Service: Corporate Services, Integrated Customer Services

Lead officer: Matthew Kendall (Assistant Benefits Manager)

Additional people completing the form (including job title): Andrew Mclean (Equalities Officer), Ian McIntyre (Senior Benefits Policy Officer)

Start date for EqIA:

Step 1 – Use the following checklist to consider whether the proposal requires an EqIA			
1. What is the purpose of the proposal?			
To agree a localised Council Tax Reduction scheme for 2014/15 as required by the Welfare Reform Act and Local Government Finance Act.			
There are currently 2 options being considered;			
1. The 2014/15 scheme will continue to incorporate a £5m deficit in central government funding and that will be financed by cuts in other services and/or through council tax itself (i.e. a continuation of the 2013/4 scheme), or			
2. The 2014/15 scheme will pass the £5m deficit in central government funding on to working age claimants meaning that those non protected 'vulnerable' households will see a 25% reduction in their existing entitlement.			
	High	Medium	Low
2. Could this be relevant to our public sector equality duty to:			
a) Promote equality of opportunity		✓	
b) Eliminate discrimination	✓		
c) Promote good relations between different equalities communities?	✓		
If you have answered 'low relevance' to question 2, please describe your reasons			

3. Could the proposal have a positive effect on equalities communities?

Pensioners are protected and therefore any impact on this group will be neutral in that they will experience no changes. The definition of pensioner for this purpose will be those households where claimant or partner has attained State Pension Credit age (nationally defined). From April 2014 this will be 62 years old or older.

In addition working age 'vulnerable' households would be protected from any impact on this group will be neutral in that they will experience no changes. These 'vulnerable' households protect certain groups within the city. Lone parents with children under 5 years old, households where certain disability benefits are in payment, carers and those who receive certain armed forces payments will continue to receive similar levels of support as they would currently (if option two were implemented).

Vulnerability has been determined through the use of Department for Communities and Local Government [guidance](#) issued in May 2012 when developing a scheme with specific reference to public sector equality duty, mitigating child poverty and the armed forces covenant.

In its proposal, the council has also taken into account, where possible, those who may be at a disadvantage in finding employment and linked definitions to existing ones within Department for Work and Pensions legislation (such as Income Support entitlement for lone parents being limited to those with children under 5 years of age).

In the case of a fully funded scheme, all households will continue to get similar levels of support to what they get currently.

4. Could the proposal have a negative effect on equalities communities?

All people of working age who are not protected under the definition of 'vulnerable' will be affected by losing all/some of their entitlement if the shortfall in government funding is passed on to those households (i.e. option 2).

If the government shortfall is funded by increasing council tax and/or cutting other services this would have a far wider impact on the majority of households in Bristol but at this stage would be impossible to know what the effect on the equalities group would be.

If the proposal has low relevance and you do not anticipate it will have a negative impact, please sign off now. Otherwise proceed to complete the full equalities impact assessment

Service director.....Equalities officer
Date

Step 2	Describe the Proposal
2.1	Briefly describe the proposal and its aims? What are the main activities, whose needs is it designed to meet, etc.
	<p>Central government has delegated responsibility to local authorities for providing financial support to Council Tax payers, with low incomes from 2013/14, through a non ring fenced grant.</p> <p>In 2013/14 it was agreed that any shortfall in funding would be made up from other means, e.g. reducing expenditure in other services and/or increasing council tax. This means that all Council Tax Reduction recipients would not see any reduction in their entitlement as a result of the scheme that Bristol had approved.</p> <p>For 2014/15 the scheme has been reviewed by officers and has been recommended that we should consult on the following;</p> <p>1. Continue with the current Council Tax Reduction scheme 'as-is'.</p> <p>This would require £5m funding shortfall financed by cuts in other services and/or increase in council tax. This has no immediate equalities impact upon benefit claimants but may have an indirect negative affect through the accessing of other (affected) services.</p> <p>2 All 'non-vulnerable' working age claimants (20,087) receive 25% less</p> <p>This would require £5m funding shortfall financed by cuts in benefits.</p> <p>All non-vulnerable households (20,087) would be affected equally with no impact on vulnerable working age households.</p> <p>It is worth noting that any cost to BCC in funding the scheme could have a knock on effect for other services, depending where the funds originate from. Any scheme must protect those who are of pension age (dictated by legislation).</p>
2.2	If there is more than one service* affected, please list these:
	<ul style="list-style-type: none"> ✓ Integrated Customer Services (ICS) – delivery of service ✓ Fraud ✓ Welfare Rights and Money Advice Service (WRAMAS) – increased need for advice ✓ Neighbourhoods (including landlord services, strategic housing) – possible increased customer demand for advice, corporate debt issues etc. ✓ Communications and Marketing - advise of the changes plus handle any media interest ✓ Health and Social Care ✓ Children and Young People's Services ✓ Finance ✓ Any service that may be adversely affected due to loss in funding reallocated to the proposal (option 2 only)

2.3	Which staff or teams will carry out this proposal?
	Revenues and Benefits team within ICS

Step 3	Current position: What information and data by equalities community do you have on service uptake, service satisfaction, service outcomes, or your workforce (if relevant)?
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Available equality group data is shown below. However, we do not have available information regarding sexual orientation, transgender and religion and belief.

The table below shows the current Council Tax Reduction scheme caseload by household.

Definition	Numbers/Percentage
Total number of households receiving a Council Tax Reduction	44,867
<i>Working age households</i>	<i>28,909 (64%)</i>
<i>Pension age households</i>	<i>15,958 (36%)</i>
A breakdown of working age households by equality groups	
Male	11,193 (39%)
Female	17,371 (60%)
Unknown	344 (1%)
Lone parents	8,562 (30%)
Disability (by disability living allowance award)	5,928 (21%)
Households without any children	14,898 (52%)
Households with 3+ children	3,508 (12%)
White (ethnicity)	12,498 (43%)
Black and Minority Ethnic (ethnicity) (BME)	3,071 (11%)
Other (ethnicity)	4,333 (15%)
Unknown (ethnicity)	9,007 (31%)
Carers	2,028 (7%)

A further breakdown of those working age households determined as 'vulnerable' and therefore protected from any changes to Council Tax Reduction, is as below.

Definition	Numbers
Total number of vulnerable households	8,782
Lone Parents/Children	
Lone Parents with children under 5	3,663
Disability	
Any family member in receipt of Disability Living Allowance (middle or high rate) or Personal Independence Payment (PIP) equivalent - Daily Living Component (standard to enhanced rate)	3,406
Disabled children	
Any child in receipt of Disability Living Allowance or PIP equivalent	948
Carers	
Claimant or Partner in receipt of Carers Allowance/Carers Premium	2,028
Armed Forces Covenant	
Claimant or Partner in receipt of any War Pension/Payment	20

Services* is used as a shorthand for services, strategies, policies, procedures, contracts, reviews, programmes or projects

Please note that some of these households when broken down in to various groups may also appear in other groups, therefore total of each group exceeds 8,782.

Those who are not treated as 'vulnerable' and subject to a reduction in support under option 2 of the proposal are shown below.

Definition	Numbers/Percentage
Male	9,230 (46%)
Female	10,644 (53%)
Unknown	226 (1%)
Lone parents	4,899 (24%)
Disability (by disability living allowance award, mobility and lower rate care)	351 (2%)
Households without any children	11,875 (59%)
Households with 3+ children	2,036 (10%)
White (ethnicity)	8,081 (40%)
Black and Minority Ethnic (ethnicity) (BME)	2,170 (11%)
Other (ethnicity)	3,212 (16%)
Unknown (ethnicity)	6,637 (33%)

Please note, your evaluation in 3.3 will be built upon in Step 5 where you will set out what you plan to do to address any issues for equalities communities

Step 4	Ensure adequate consultation is carried out on the proposal and that all relevant information is considered and included in the EqIA
4.1	<p>Describe any consultations that have taken place on the proposal. Please include information on when you consulted, how many people attended, and what each equalities community had to say (& provide a web link to the detailed consultation if possible).</p> <p>Consultation starts on 26th July 2013, details of which can be found here. The public consultation ends on 27th September 2013 and the community and voluntary sector consultation ends on 18th October 2013.</p> <p>The consultation will be publicised to interested groups and current Council Tax Reduction recipients electronically, with a dedicated helpline for the period of the consultation. There will also be a drop in event for one day during the consultation process. This will be located in central Bristol.</p>

Please note details of the consultation findings in 4.1 will be built upon in Step 5 where you will set out what you plan to do to address any issues for equalities communities.

Step 5 – Giving due regard to the impact of your proposal on equalities communities	
Possible Impact on Equalities Communities, whether or not you will address the impact	Actions to be included in the proposal
<p>Age</p> <ul style="list-style-type: none"> ✓ Pension age claimants are protected from reductions in support under a nationally prescribed scheme ✓ Children under 18 are not eligible for council tax ✓ Low paid/benefit reliant working age households ✓ Younger people are not over represented as Council Tax Reduction recipients ✓ Lone parent households with children under 5 year of age are protected from reductions in support proposed under option 2 	<ul style="list-style-type: none"> ✓ Awareness campaigns for those affected, targeted communications ✓
<p>Disability</p> <ul style="list-style-type: none"> ✓ Those in receipt of the high or middle care component of disability living allowance or PIP equivalent - Daily Living Component (standard to enhanced rate) are protected ✓ Any child in receipt of Disability Living Allowance or PIP equivalent are protected ✓ Protection included for those receiving certain disability related benefits 	<ul style="list-style-type: none"> ✓ Awareness campaigns for those affected, targeted communications
<p>Ethnicity</p> <ul style="list-style-type: none"> ✓ BME communities are not over represented as Council Tax Reduction recipients 	<ul style="list-style-type: none"> ✓ Awareness campaigns for those affected targeted communications. ✓ Targeted consultation with BME groups and their organisations to understand further any negative impacts
<p>Gender</p> <ul style="list-style-type: none"> ✓ Females are over represented as Council Tax Reduction recipients and this is reflected in the equality group affected by the proposal ✓ Lone Parents (predominately females) with a child under 5 are protected, resulting in fewer females affected as a percentage of overall Council Tax Reduction Caseload 	<ul style="list-style-type: none"> ✓ Awareness campaigns for those affected, targeted communications
<p>Pregnancy & maternity</p>	<p><i>Data is not collected for these groups in respect of Council Tax reduction. We are investigating how data could be</i></p>

Step 5 – Giving due regard to the impact of your proposal on equalities communities	
Possible Impact on Equalities Communities, whether or not you will address the impact	Actions to be included in the proposal
Religion and belief	<i>accessed via the customer insight team. However, we do not have a current timescale for when this may happen.</i> <i>The consultation exercise will target these communities and organisations to gain a clearer understanding of any potential negative impacts.</i>
Sexual orientation	
Transgender	
5.2	Next Steps
We will communicate the effects of the new scheme so that those affected will be aware before the changes happen. Impacts and behaviours will be monitored and inform changes to the scheme in 2015/16.	

6.1	Describe how, in completing steps 1-5, you have given due regard to the three aims of the public sector equality duty (a-c above).
<p>We have identified those households who are most likely to be affected by the introduction of the proposal and compared those to the make-up of our overall customer base to identify any equality groups that may be disproportionately affected.</p> <p>There will be financial mitigation for those people of working age and deemed 'vulnerable' in that they will be protected from any change.</p> <p>Those who are affected will be notified and awareness campaigns in place with targeted communications as appropriate.</p>	

Step 7	Monitoring arrangements
7.1	<p>If your proposal is agreed, how do you plan to measure whether it has achieved its aims as described in 2.1? Please include how you will ensure you measure its actual impact on equalities communities?</p> <p>Regular reporting using the information within the system used to administer Council Tax Reduction with data matching to other council information sources.</p>

Step 8	Publish your EqIA
8.1	<p>Ensure the EqIA is signed off by a Service Director and the directorate equalities officer.</p> <p>Signed _____ Signed _____</p> <p>Service Director _____ Equalities officer _____</p> <p>Date _____ Date _____</p>
8.2	<p>Can this EqIA can be published on the web. Yes/No</p> <p>If no, please explain why the proposal is confidential and cannot be published.</p>
<p>Contact Communications and Marketing Team or your directorate equalities officer to arrange to publish the equalities impact assessment on the Equality and Diversity web pages.</p>	
<div style="border: 1px solid black; height: 20px;"></div>	

DRAFT

The Local Council Tax Support Scheme public consultation started on 26 July 2013 and closed on 27 September 2013. Consultation for the voluntary and community sector (VCS) closed on 18 October 2013. 3760 people responded to the consultation.

About the respondents

80% of respondents are Council Tax payers, 23% were in receipt of Council Tax Benefit. This is a good representative response as 24% of households in Bristol are in receipt of Council Tax Reduction. These figures do not add up to 100% as people were able to tick more than one option.

1% were responding as a local voluntary or community sector organisation.

4% of respondents were 18 – 24 years old, 65% were 25 – 49 years old. 22% were 50-64 and 7% were 65 or over.

The split of men and women responding was even, 48% of each. Others preferred not to specify their gender.

76% of respondents are white British. 9% were from another white background and 6% were from a Black and minority ethnic background.

10% of respondents are disabled.

Summary of responses overall.

- 55% of respondents are in favour of Option 1: Continue to fully fund the current Council Tax Reduction scheme. This means low income, working age households will continue to receive the same levels of support as now.
- 46% were in favour of Option 2: All working age, low income households pay a minimum of 25% of their Council Tax liability (except those identified as vulnerable).
- 62% agreed or strongly agreed that the qualifying criteria listed in B of the information booklet is appropriate to identify and protect a 'vulnerable household'. 18% disagreed or strongly disagreed. The remaining 21% did not have an opinion either way.
- 28% did not think that either of the options would adversely affect particular individuals or groups more than others. 29% thought that option two would adversely affect people. 8% thought option one would and 12% thought both option one and two would adversely affect people.

Council Tax reduction recipients and Council Tax payers responses.

- A larger proportion of Council Tax Reduction (CTR) recipients were in favour of Option 1: Continue to fully fund the current Council Tax Reduction scheme. 77% preferred this option, compared to 47% of Council Tax Payers and 55% of respondents overall.
- The proportion of CTR recipients agreeing that the qualifying criteria for 'Vulnerable Household' was appropriate was similar to respondents as a whole. 60% of CTR recipients agreed or strongly agreed compared to 62% of Council Tax Payers and 62% of respondents as a whole.
- CTR recipients were slightly more inclined to think that one or both of the options would affect some groups more than others, or say they 'Don't know'. 15% of CTR recipients said No, the proposals would not affect some groups more than others, compared to 32% of Council Tax Payers and 28% of respondents as a whole.

Voluntary and Community Sector responses.

- The majority of VCS respondents were in favour of option 1: Continue to fully fund the current Council Tax Reduction scheme. 93% were in favour of this option. This compares to 55% of respondents to the consultation as a whole.
- VCS respondents were more inclined to disagree that the proposed criteria to identify 'vulnerable households' was appropriate. 62% disagreed or strongly disagreed compared to 18% of respondents as a whole.
- VCS respondents were more inclined to think that Option 2: All working age, low income households pay a minimum of 25% of their Council Tax liability (except those identified as vulnerable) would adversely affect some individuals and groups more than others. 66% thought this compared to 29% of respondents as a whole.

Age group.

- 50 – 64 year olds were slightly more inclined to support Option 1: Continue to fully fund the current Council Tax Reduction scheme, compared to total respondents. 65+ year olds were slightly more inclined to support Option 2: All working age, low income households pay a minimum of 25% of their Council Tax liability, compared to total respondents.
- The younger age group aged 18 – 24 are more inclined to agree that the qualifying criteria is appropriate for identifying 'Vulnerable households', compared to total respondents.

- 50 – 64 year olds are more inclined to feel that option 2 would adversely affect particular individuals and groups more than others compared to total respondents. Ages 65+ are more inclined to say no, the proposals will not affect particular individuals or groups more than others, compared to total respondents.

Disability.

- Disabled respondents are more inclined to prefer Option 1: Continue to fully fund the current Council Tax Reduction scheme. 63% preferred this option compared to 53% of total respondents.
- Some disabled respondents were more inclined to strongly agree that the proposed criteria for identifying ‘vulnerable households’ is appropriate. 34% strongly agree compared to 20% of total respondents.
- Disabled respondents are slightly more inclined to feel option 2 would affect particular individuals or groups more than others. 34% think this, compared to 29% of respondents as a whole.

Ethnicity.

- Views across ethnic groups were similar about which option they preferred and whether the proposed criteria for ‘vulnerable households’ was appropriate. .
- Views across ethnic groups were similar about their views on the definition of ‘vulnerable households’.
- Black and minority ethnic groups were more inclined to feel that option 1 would adversely affect some groups more than others. 14% thought this, compared to 8% of respondents as a whole.
- Black and minority ethnic groups were less inclined to feel that option 2 would adversely affect some groups more than others. 22% felt it would compared to 29% of respondents as a whole.
- People from other white backgrounds were more inclined to say they don’t know if the proposals would adversely affect some groups more than others.

Gender and religion.

- Views across gender and religious groups were similar.

Council Tax Reduction Scheme consultation – report

The Local Council Tax Support Scheme public consultation started on 26 July 2013 and closed on 27 September 2013. Consultation for the voluntary and community sector (VCS) closed on 18 October 2013. 3760 people responded to the consultation. The consultation information booklet and survey were made available online on the council's website. Paper copies were available at libraries and customer service points, at the Council House and Amelia Court. A meeting was held for the voluntary and community sector. Information posters were sent to all GP surgeries, council owned community centres, libraries, and parks notice boards. The diagram on page three shows in full how the consultation was promoted. A radio advert was commissioned on Ujima radio and BCFM to try and boost the response from black and minority ethnic communities. On 28 August 2013 there was an interview on BBC Radio Bristol with Cllr Gus Hoyt and Matthew Kendall (Senior Benefits Policy Officer) talking about the consultation. Information booklets and surveys were also distributed by Neighbourhood Partnerships and the Tenants Participation team.

Emails about the consultation were sent directly to 10,000 subscribers to the Ask Bristol email bulletin, subscribers to 'Our City' news. We wrote directly to customers we have email contact with who may be affected by the outcome of this decision on Council tax Reduction - customers who have provided their email address as a contact for their online Council Tax account, for Council Tax Reduction or for Housing Benefit.

About the respondents

80% of respondents are Council Tax payers, 23% were in receipt of Council Tax Benefit. This is a good representative response as 24% of households in Bristol are in receipt of Council Tax Reduction. These figures do not add up to 100% as people were able to tick more than one option.

1% were responding as a local voluntary or community sector organisation.

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The split of men and women responding was even, 48% of each. Others preferred not to specify their gender.

76% of respondents are white British. 9% were from another white background and 6% were from a Black and minority ethnic background.

10% of respondents are disabled.

Open ended responses to the survey are detailed in a separate report.

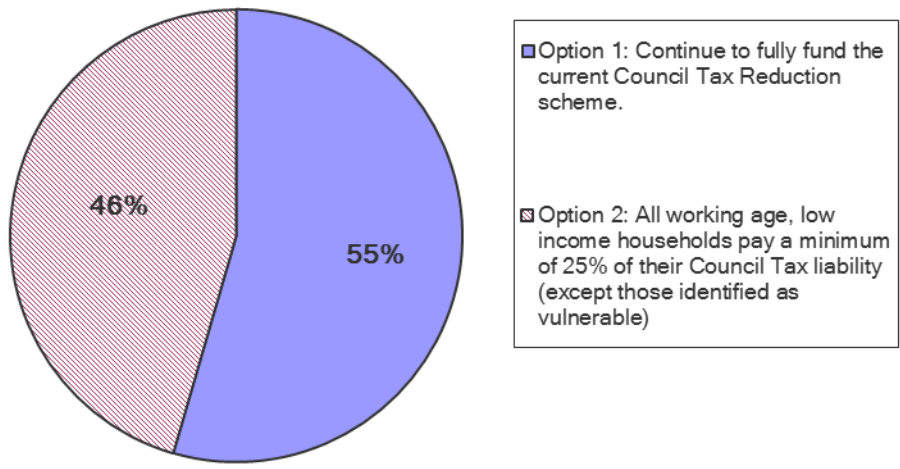
Summary

- 55% of respondents are in favour of Option 1: Continue to fully fund the current Council Tax Reduction scheme. This means low income, working age households will continue to receive the same levels of support as now.
- 46% were in favour of Option 2: All working age, low income households pay a minimum of 25% of their Council Tax liability (except those identified as vulnerable).
- 62% agreed or strongly agreed that the qualifying criteria listed in B of the information booklet is appropriate to identify and protect a 'vulnerable household'. 18% disagreed or strongly disagreed. The remaining 21% did not have an opinion either way.
- 28% did not think that either of the options would adversely affect particular individuals or groups more than others.
- 29% thought that option two would adversely affect people. 8% thought option one would and 12% thought both option one and two would adversely affect people.



Please tick your preferred option for a local Council Tax Reduction Scheme (Base 3679)	%	Count
Option 1: Continue to fully fund the current Council Tax Reduction scheme.	55%	2004
Option 2: All working age, low income households pay a minimum of 25% of their Council Tax liability (except those identified as vulnerable)	46%	1675

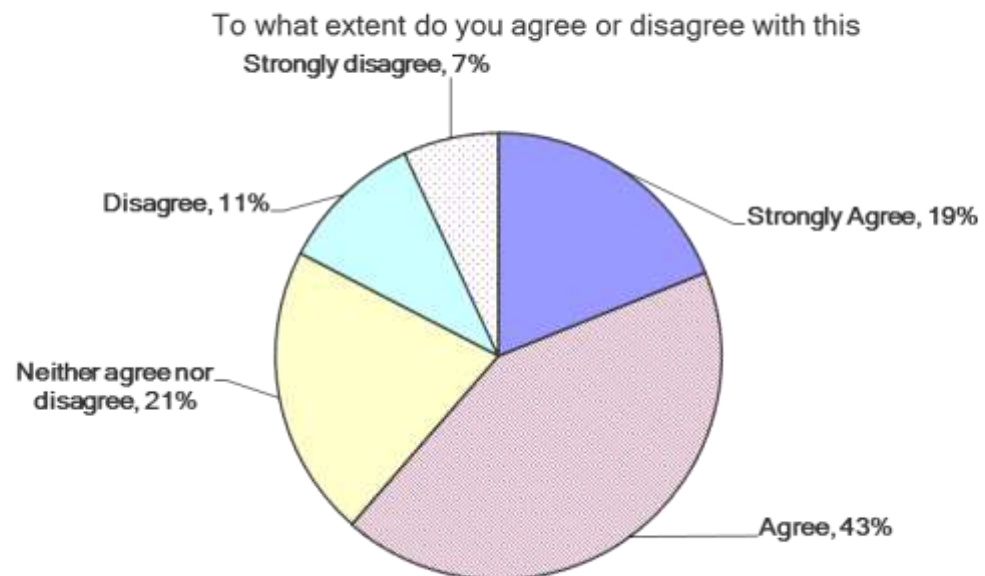
Please tick your preferred option for a local Council Tax Reduction Scheme



The following question relates to option 2 only. It is proposed that the qualifying criteria listed in B of the information booklet is appropriate to identify and protect a 'vulnerable household'. To what extent do you agree or disagree with this?

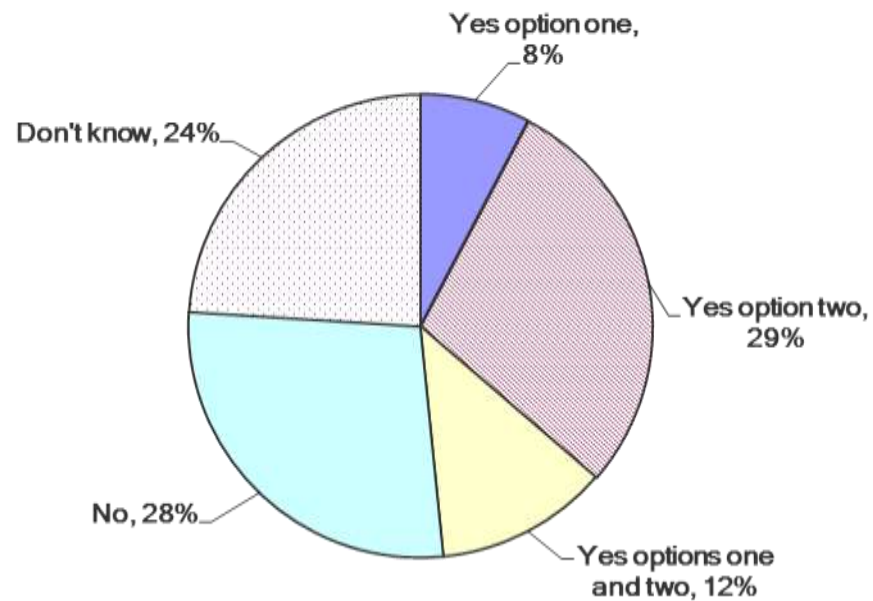
	%	Count
Strongly Agree	19%	596
Agree	43%	1337
Neither agree nor disagree	21%	668
Disagree	11%	332
Strongly disagree	7%	216
If you disagree or strongly disagree please say why		504

The following question relates to option 2 only. It is proposed that the qualifying criteria listed in B of the information booklet is appropriate to identify and protect a 'vulnerable household'.



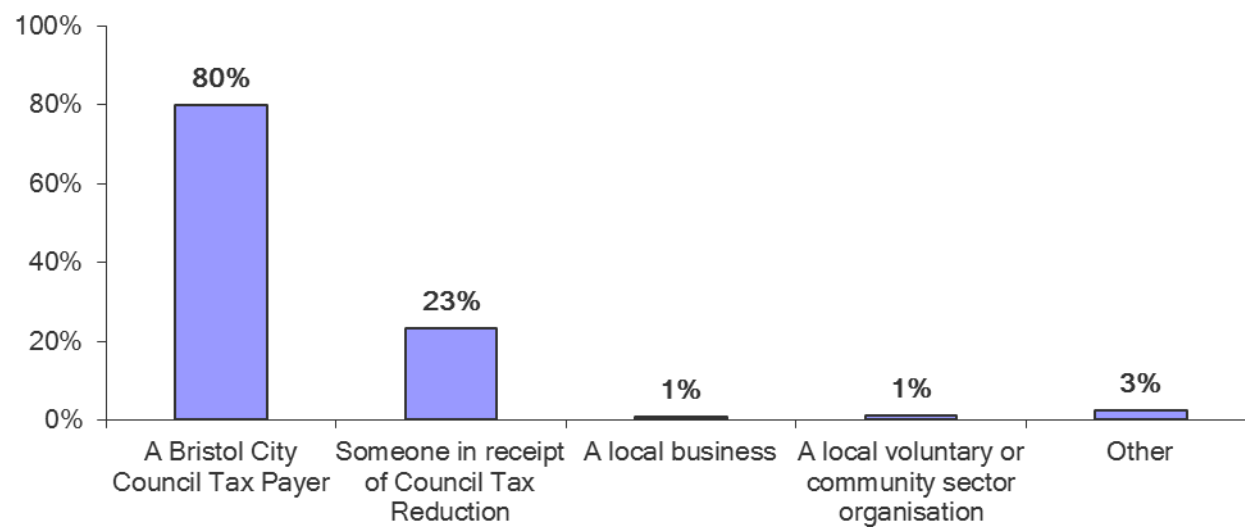
Do you feel that any of our proposals will adversely affect particular individuals or groups more than others?		
	%	Count
Yes option one	8%	247
Yes option two	29%	920
Yes options one and two	12%	388
No	28%	888
Don't know	24%	770
If yes, please describe why and how you think we could address this.		851

Do you feel that any of our proposals will adversely affect particular individuals or groups more than others?



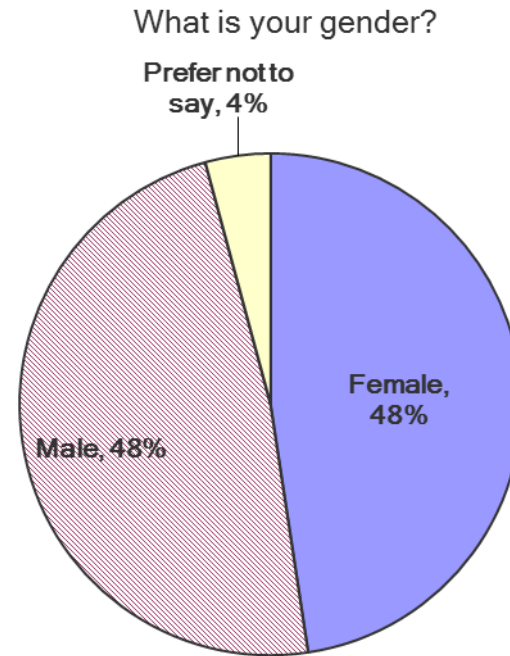
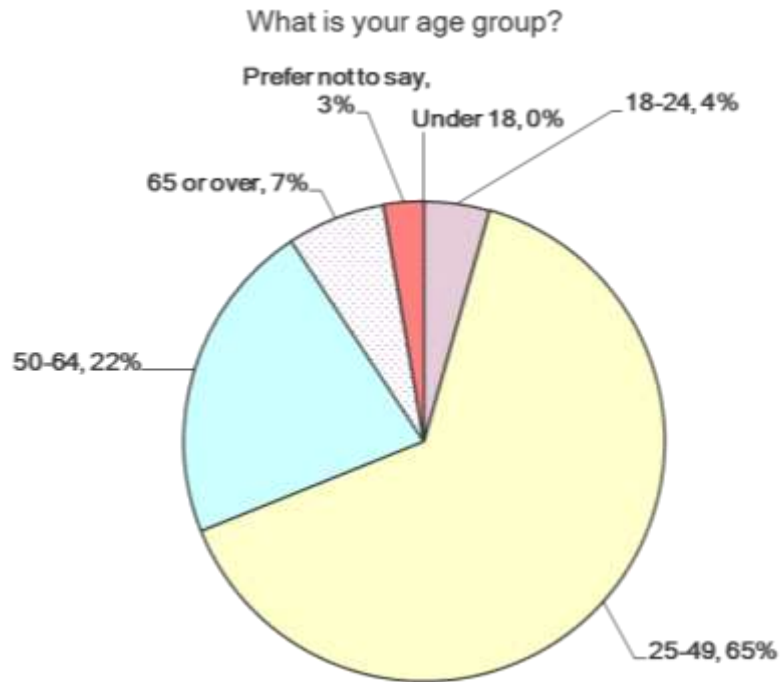
Are you responding as:	%	Count
A Bristol City Council Tax Payer	80%	2472
Someone in receipt of Council Tax Reduction	23%	718
A local business	1%	26
A local voluntary or community sector organisation	1%	30
Other	3%	81
If a local voluntary or community sector organisation or 'other', please specify:		72

Are you responding as:

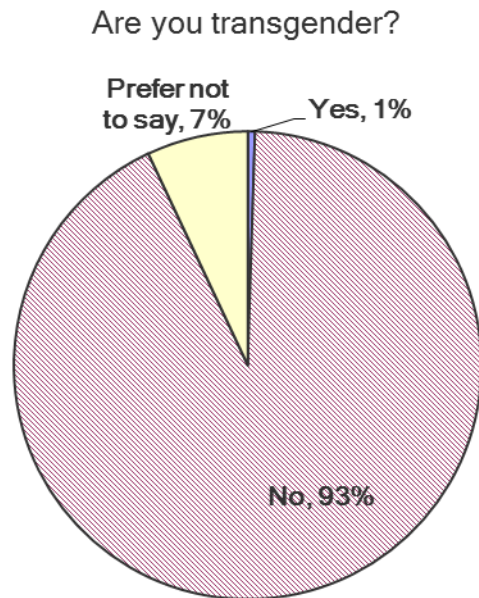


What is your age group?	%	Count
Under 18	0%	1
18-24	4%	137
25-49	65%	1987
50-64	22%	671
65 or over	7%	203
Prefer not to say	3%	83

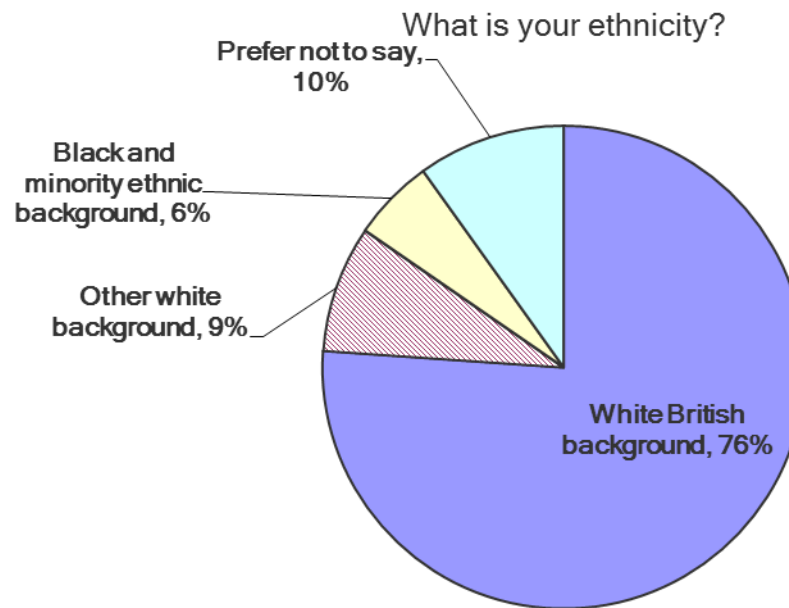
What is your gender?	%	Count
Female	48%	1463
Male	48%	1482
Prefer not to say	4%	129



Are you transgender?	%	Count
Yes	1%	14
No	93%	2700
Prefer not to say	7%	204



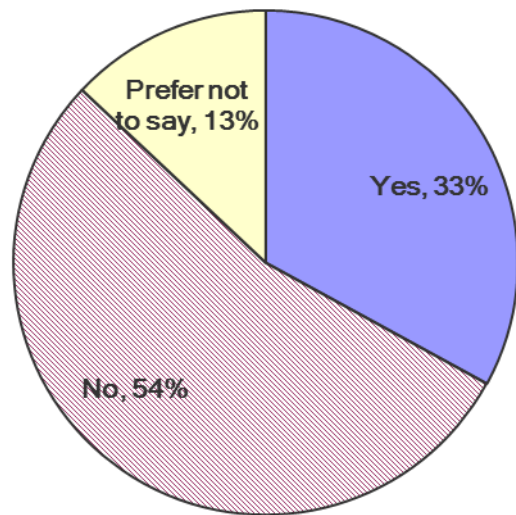
What is your ethnicity?	%	Count
White British background	76%	2325
Other white background	9%	259
Black and minority ethnic background	6%	169
Prefer not to say	10%	304



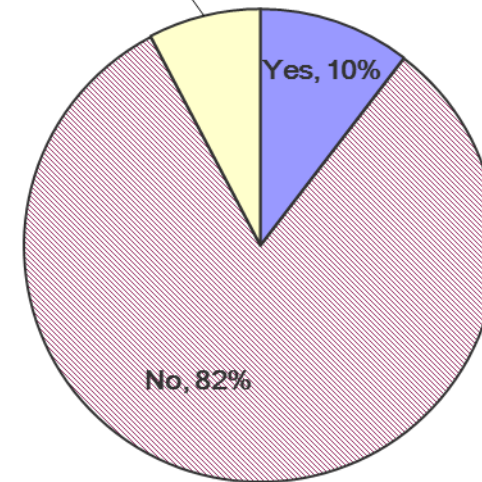
Do you have a religion or belief?	%	Count
Yes	33%	1007
No	54%	1653
Prefer not to say	13%	396

Are you disabled	%	Count
Yes	10%	318
No	82%	2498
Prefer not to say	8%	236

Do you have a religion or belief?



Are you disabled



Sexual orientation. Are you.....	%	Count
Lesbian, gay or bisexual	6%	166
Heterosexual	81%	2455
Prefer not to say	14%	421

