

## **Birmingham Council Tax Support Scheme Equality Assessment Review**

**August 2017**

### **Purpose**

This paper reports on the fifth year review of the Equality Assessment of the Birmingham Council Tax Support Scheme following its introduction in April 2013 and subsequent annual reviews. The fifth year review was completed in August 2017.

The Local Government Finance Act requires the billing authority to consider annually whether to revise its scheme or replace it with another scheme.

This review will contribute to those considerations and provide details about the impact of the scheme on those claimants with characteristics protected by the Equality Act 2010. Additionally it will evaluate the assumptions made in design of the scheme and whether any further mitigation is required.

### **Background**

The Welfare Reform Act 2012 abolished Council Tax Benefit from April 2013. The Local Government Finance Act 2012 required Local Authorities to design their own schemes for Council Tax Support to be in place by 31 January 2013.

Pensioners are protected by prescribed regulations and therefore Council Tax Support for this group remains as it was under the previous Council Tax Benefit scheme.

The Council Tax Support scheme for Birmingham is a means tested discount, defined in principle by the terms of the Government's default scheme. The maximum Council Tax Support is restricted to 80% of the Council Tax liability for claimants of working age.

The Birmingham scheme has built in protection for vulnerable claimants, these are:-

- Claimant or their partner is a pensioner (as prescribed in law).
- Claimant or their partner is entitled to the disability premium, severe disability premium, enhanced disability premium or disabled child premium.
- Claimant or their partner is in receipt of Employment Support Allowance with a qualifying disability related benefit.
- Claimant or their partner receives a war disablement pension, war widows pension or war widower's pension.
- Claimant or their partner has a dependent child under 6.
- Claimant or their partner qualifies for the carer's premium.

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As such, people with the greatest need of support, pensioners, carers, those with a disability, those in receipt of a war pension, those with dependent children under 6 years of age and those with a disabled child continue to have their maximum council tax support calculated based on 100% of their council tax liability as part of the Birmingham scheme.

The scheme also allows for claims to be backdated up to a maximum of one month, but also has scope for extended discounts in exceptional circumstances.

The scheme includes a discretionary hardship fund.

### **Equality Assessment Review**

The scheme was subject to a full Equality Assessment and consultation through to introduction.

The Equality Assessment commenced in May 2012 as part of the development of the CTS scheme for Birmingham. The assessment was amended throughout the development of the scheme taking account of feedback from the formal consultation exercise. The Equality Assessment set out the following aims and objectives to ensure that the scheme has due regard to the Council's duties to its equalities and diversity responsibilities:

- To provide a localised Council Tax Support scheme for Birmingham.
- To provide a CTS scheme that helps the most vulnerable with financial assistance towards their council tax liability.
- The implementation of a scheme that provides support for vulnerable people and pensioners but also provides an incentive to encourage people to obtain employment.

This review of the Equality Assessment as at August 2017 considers the impact of the scheme against the protected characteristics defined by the Equality Act 2010, using the data profiles gathered from the CTS modelling function (CTR300), and SHBE (Single Housing Benefit Extract) records.

The protected characteristics are defined under age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, gender and sexual orientation.

### **Protected Characteristics**

**Age** - The scheme is prescribed for pensioners to continue receiving up to a maximum of 100% of their Council Tax liability subject to means testing.

Prior to the introduction of the new scheme 136,400 claimants were in receipt Council Tax Benefit. The split between pensionable age claimants and working age claimants was 38% (51,403) and 62% (84,997) respectively.

The EA review was carried out as at August 2017 which showed that the caseload of 124,910 had reduced by 10,261 cases since the start of the scheme in April 2013. The split between pensionable age claimants and working age claimants

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was 41,142 and 83,768 respectively. The majority of the reduced caseload is pension age (20%) decrease whereas the working age caseload has seen a smaller reduction of (1.5%).

The reduction in pensioner claims appears to follow the Government's predicted forecasts that claims for pensioners are set to reduce in the coming years as the national retirement age increases. The reduction cannot be attributed to the Birmingham scheme design as the scheme follows the prescribed regulations to protect pensioners at up to 100% of council tax liability and as such they are excluded from the 80% maximum discount for working age claimants not in a protected category.

The scheme also provides protection for claimants with children under the age of 6. It was predicted prior to the introduction of the scheme, (using previous scheme data) that 21,129 claimants would benefit from this protection. The current scheme data indicates 17,457 claimants receive this protection as at August 2017 when the EA review was carried out.

The number of those protected in this grouping could be indicative of:

- a) current caseload trends
- b) national birth rate trends\*
- c) notification of a relevant change in circumstance, such as the birth of a child. (Now that most working age customers must pay at least 20% towards their Council Tax bill, customers are more likely to keep us up to date with their circumstances so to receive their correct entitlement / protection from the minimum contribution).

In April 2017, the Department of Works and Pensions introduced updated legislation in relation to a third (or more) children born after the 1<sup>st</sup> April 2017. Tax Credits will only pay Child Tax Credit for up to 2 children, and all Housing Benefit applicable amounts have been changed to reflect this.

The number of claimants with a child under 6 reduced by 5.78%, but not all of this reduction is due to this change. The number of children attaining the age of 6 will have meant that cases have moved from Vulnerable with child under 6 years to other categories.

CTS modelling confirm that 2110 (12% of current claims) claims included children that were due to reach 6<sup>th</sup> birthday this year, and a number of these claims will have moved to other categories, including working age employed and working age other.

This demonstrates that the Birmingham scheme is meeting its overall objective of providing protection for families with young children as set out in the original Equality Assessment.

\*The Office of National Statistics has reported a 0.2% decrease in national birth rates in 2016, so numbers in this protected group are not expected to increase substantially (*Births in England & Wales, 2016, ONS August 2017*).

**Disability** - When designing the scheme for April 2013 it was proposed as part of the formal consultation to offer protection to disabled people who included in their benefit assessment a disability premium. At that point there were around 13,000 benefit claims meeting these criteria. In response to feedback as part of the formal consultation this definition was widened to include those claimants in receipt of ESA who were in receipt of a qualifying benefit such as DLA. Similarly, maintaining support for people with disabilities, carers entitled to the carer's premium were also protected. Hence the significant rise in the number of claims since April 2013.

It was assumed prior to the introduction of the scheme, using Council Tax Benefit scheme data that 18,043 claimants would benefit from this protection. August 2017 statistics showed that there are now 34,918 claims having been made from these groupings.

Since the introduction of the Council Support Scheme, the number of vulnerable claims has increased by 94%. The table below shows the increases year on year since 2013.

Year	No Claims	% increase from previous year	% increase since 2013
April 2013	18,043		
December 2013	22,118	23%	23%
August 2014	24,618	11%	36%
August 2015	27,389	11%	52%
August 2016	30,218	10%	67%
August 2017	34,918	16%	94%

This demonstrates that the Birmingham scheme is meeting its overall objective of providing protection for people with disabilities as set out in the original Equality Assessment.

The marked increase in the number of those protected in these groupings could be indicative of:

- Current caseload trends confirm that the number of claims from vulnerable customers in August 2017 has increased to 9.34%, an increase of 0.32% over the last twelve months. (it was 9.02% in August 2016)
- As most working age customers must pay at least 20% towards their Council Tax bill, customers are more likely to keep us up to date with their circumstances so to receive their correct entitlement / protection from the minimum contribution).

**Gender reassignment** – This information is not collected as part of the administration of the Council Tax Support Scheme however there is no record of having received any comments or complaints or challenges regarding this particular group in respect of the design and operation and administration of the Birmingham Council Tax Support Scheme.

**Marriage and civil partnerships** - This information is not collected as part of the administration of the Council Tax Support Scheme however there is no record of having received any comments or complaints or challenges regarding this particular group in respect of the design and operation and administration of the Birmingham Council Tax Support Scheme.

**Pregnancy and Maternity-** This information is not collected as part of the administration of the Council Tax Support Scheme however there is no record of having received any comments or complaints or challenges regarding this particular group in respect of the design and operation and administration of the Birmingham Council Tax Support Scheme.

The scheme does not provide any specific protection for this grouping; however following the birth of a child, if entitled to the discount, the claimant would receive protection as a member of the protected categories already set out as part of the scheme due to having a child under the age of 6.

**Race** – Analysis of the working age caseload indicates that the ethnicity breakdown of claimants is broadly comparable to that of last year, with less than a 1% (plus or minus) difference in most groups. As we currently now hold data on 49% of cases as opposed to 20% in August 2016, White British UK data shows that the caseload comprises of 30.48%. In August 2016 we only had data to 11.60% of the caseload. When the scheme began, we held data on 25% of the caseload, so given we have a reduced caseload since go-live, a small fluctuation in overall caseload percentages would be relative and therefore no disproportionate change is evident.

The scheme provides protection for claimants with children under the age of 6. A comparison of the ethnicity of those protected is broadly comparable to last year, at less than a 1% (plus or minus) difference for most groups, with the exception of Pakistani cases identified from 588 in 2016 to 1297 in 2017, and Other Black or Black British groups where the number of claims identified had decreased from 1655 cases in 2016 to 153 in 2017.

The reason for these changes could be due to the number of cases that now state ethnic origin; we have details on 68% of household vulnerable cases in receipt of Council Tax Support discount, which is an increase in the in the percentage we were able to report in 2016 (44%) for this category.

#### National birth rate trends

\*The Office of National Statistics has reported that the proportion of births to mothers born outside the UK is increasing year on year, in recent years, the percentage of births to women born outside the UK has been higher than the percentage of the female population of childbearing age born outside the UK.

There are two reasons for this:-

- Fertility levels are general higher mount foreign-born women

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- the foreign-born and UK-born female populations of reproductive age have different age structures, with a higher proportion of foreign-born women being aged from 25 to 34, where fertility is highest

Similarly, when considering the ethnic background of those claimants with disabilities who receive protection against the caseload ethnicity breakdown these are also broadly comparable to last year, at around 1% (plus or minus) difference for all groups.

**Religion and belief** - This information is not collected as part of the administration of the Council Tax Support Scheme however there is no record of having received any comments or complaints or challenges regarding this particular group in respect of the design and operation and administration of the Birmingham Council Tax Support Scheme.

**Gender** – Although this information is recorded, there is no adverse impact on the grounds of gender. The Birmingham Council Tax Support scheme is open to applications from persons of any gender and there are no aspects of the scheme which impact in any way on the availability of support to claimants based solely on gender.

**Sexual Orientation**- This information is not collected as part of the administration of the Council Tax Support Scheme however there is no record of having received any comments or complaints or challenges regarding this particular group in respect of the design and operation and administration of the Birmingham Council Tax Support Scheme.

### **Council Tax Discretionary Hardship Fund**

Birmingham City Council established the Council Tax Support Discretionary Hardship Scheme from 01 April 2013. This is a limited fund that is awarded to claimants affected by the Council Tax Support scheme, particularly those not in a protected category and as such are now liable to pay the minimum of 20% who are experiencing extreme financial difficulty.

The fund was agreed at £250,000 in 2016/17, and the total awards made amounted to £159,277, and in 2017/18 the fund was again agreed at £250,000. The take up at end of August 2017 is £155,561.

The demand for this fund has been reducing year on year and the fund appears to be set at the appropriate level to meet need.

The Benefit Service continues to review its Council Tax Discretionary Hardship Fund policy and the Council will consider the most appropriate level of future funding for the fund as part of the overall budget setting process.

\*Just over a quarter 28.2% of births were born to mothers born outside the UK  
(*Births in England & Wales, 2016, published July 2017*)

## **Conclusion**

Following the fifth year review of the Equality Assessment for the Council Tax Support Scheme it has been concluded that Birmingham continues to protect the most vulnerable categories of claimant which includes those defined to have protected characteristics within the Equality Act 2010. As such further mitigation does not appear to be required.