

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

**August 2015**

### **Purpose**

This paper reports on the third year review of the Equality Assessment of the Birmingham Council Tax Support Scheme following its introduction in April 2013 and subsequent year one review in December 2013 and year two review in September 2014.

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

## Appendix 2

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.

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 July 2015 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).

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.

The initial Equality Assessment was made on the basis of known ethnicity data for 25% of the caseload, since introduction of the new scheme this has risen to 46%. This could be attributed to the increased use of on line claim forms where the collection of ethnicity data forms a more prominent part of the process.

### **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 of Council Tax Benefit. The split between pensionable age claimants and working

## Appendix 2

age claimants was 38% (51,403) and 62% (84,997) respectively.

The EA review was carried out as at July 2015 which showed that the caseload of 130,992 had reduced by 5,408 cases since the start of the scheme in April 2013. The split between pensionable age claimants and working age claimants was 45,090 and 85,902 respectively. The majority of the reduced caseload is pension age whereas the working age caseload has remained fairly static.

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 21,900 claimants receive this protection as at July 2015 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).

\*The Office of National Statistics has reported a decrease in national birth rates when compared to 2012, so numbers in this protected group are not expected to increase substantially (*Births in England & Wales, 2014, ONS July 2015*).

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.

**Disability** - When designing the scheme and 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. It was assumed prior to the introduction of the scheme, using previous scheme data that 18,043 claimants would benefit from this protection.

July statistics showed that there are now 27,319 claims having been made from these groupings. This demonstrates that the Birmingham scheme is meeting its

## Appendix 2

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:

a) current caseload trends (increased number of claims from vulnerable customers received since 01 April 2013)

b) notification of a relevant change in circumstance, such as the award of a disability/carers benefit.

(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).

**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 and only a small shift of 1.68% in the case of the White UK grouping. As we currently now hold data on 46% of cases as opposed to 25% when the scheme began and 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 all groups with the exception of a reduced number of White UK (-3.1%) claimants. This could be indicative of:

## Appendix 2

- a) current caseload trends (reduced caseload since 01 April 2013 / increased 'ethnicity' data pool)
- b) 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. Over a quarter of births (27%) in 2014 were to mothers born outside the UK (*Births in England & Wales,*

*2014, ONS July 2015).*

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**

As part of the design of the Council Tax Support scheme for Birmingham there is a Discretionary Hardship Fund. This fund was included as part of the scheme as the main source of mitigation for any claimants affected by the reduction in the level of support from the previous maximum of 100% under the council tax benefit scheme to a maximum of 80% under the Council Tax Support scheme.

This fund is available to any person experiencing difficulty in making the payments against their liability following the award of Council Tax Support and operates in a similar way to the Discretionary Hardship Payment system already in place for Housing Benefit.

Council Tax Discretionary Hardship awarded in 2014/15 amounted to £79, 981.31.

There has been an increase in the take up of the fund in the current year when compared to the previous year as £158,351 has already been awarded between April 2015 and August 2015.

This is reflective of the work that has been undertaken over the last year to increase

## Appendix 2

take up of this fund, including improved promotion of the scheme and developing proactive initiatives to ensure that the fund is utilised by those who need it most.

Furthermore 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.

### **Conclusion**

Following the third 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.