



## **APPENDIX C – EQUALITY IMPACT ASSESSMENT**

### 1. Initial information

Local Council Tax Reduction Scheme (LCTR) Review

2. This is a: Review of policy, project, strategy, project, or service

3. This is: External (residents, communities, partners)

4. Please provide a brief overview of its aims and objectives:

The LCTR scheme has been in existence since 1 April 2013 when it replaced the former national scheme, Council Tax Benefit (CTB). The purpose of the scheme is to provide financial assistance to people on low incomes by way of a credit to their Council Tax accounts and thereby reducing their Council Tax liability.

5. Please provide the background to this proposal:

The former CTB scheme was prescriptive and one of the reasons for the introduction of the LCTR scheme was to enable local councils to implement a scheme of support but where they had more flexibility about the qualification criteria and levels of support available. However, under the scheme people of pensionable age are protected and are entitled to the same level of support that they originally had under the former CTB scheme.

The current scheme has been subject to some minor amendments since its introduction but is largely unchanged. In line with a large number of other councils, the proposal is to implement an income banded scheme that is easier to understand and is more supportive for the people most in need.

Currently for working age recipients of Council Tax Reduction a restriction is in place that means even the most financially in need, unless protected, would have to contribute a 10% actual payment towards their annual liability as the scheme has a maximum entitlement limitation of 90%. This review considers if this restriction could be lifted so that we operate a 100% maximum entitlement scheme for those most in need by operating a banded balanced scheme which remains affordable.

A significant number of councils in England have for many years now operated a banded scheme. This is a substantially proven model that not only provides a much easier scheme for the customer to understand but does provide administrative benefits. Banded schemes for working age recipients align much better with Universal Credit. Universal Credit migration continues, and we can with total assurance support the approach to consult on a banded scheme moving forward. Without adopting a banded scheme, we will continue to see increased unnecessary work within the service which will require additional unaffordable resource to manage.

Evidence gathering and engagement.

6. What sources of data, evidence or research has been used for this assessment? (e.g. national statistics, employee data):

Our software supplier has provided a modelling tool which has enabled us to look at the impact of a range of different schemes and scenarios and this provides valuable information on the groups of people who would gain under a particular scheme and those who would lose out, and the cost of those changes to the Council.

7. What did this tell you?

Under the latest proposal we have been able to establish that there are three main categories of people who, in the main, would be less well off if the scheme were to be implemented, and they are:

- Those with more than £6,000 capital as the current capital limit is £16,000, estimated to be 160 recipients.
- Those who live in properties banded F, G and H. They will be restricted to a Band E level of support, estimated to be 314 recipients.
- Those who have 4 or more children in their household. Most banded schemes account for levels associated with 2 or more children, we have included 3 or more children as we have a considerable number of larger households but have not proposed to build in extra levels beyond the inclusion of an extra level for 3 or more children. Please see the table below.

## Income Bands

Table 1

Discount	Weekly Net Income				
	Single	Couple	Family with 1 dependant	Family with 2 dependants	Family with 3 or more dependants
<b>Band 1*</b> 100%	£0 to £90.00	£0 to £135.00	£0 to £155.00	£0 to £220.00	£0 to £285.00
<b>Band 2</b> 80%	£90.01 to £125.00	£135.01 to £175.00	£155.01 to £195.00	£220.01 to £260.00	£285.01 to £325.00
<b>Band 3</b> 60%	£125.01 to £160.00	£175.01 to £215.00	£195.01 to £235.00	£260.01 to £300.00	£325.01 to £365.00
<b>Band 4</b> 40%	£160.01 to £195.00	£215.01 to £255.00	£235.01 to £275.00	£300.01 to £340.00	£365.01 to £405.00
<b>Band 5</b> 20%	£195.01 to £230.00	£255.01 to £295.00	£275.01 to £315.00	£340.01 to £380.00	£405.01 to £445.00
<b>Band 6</b> 0%	£230.01 +	£295.01+	£315.01+	£380.01+	£445.01+

### 8. Who have you engaged and consulted with as part of this assessment?

We have held a six-week period of public consultation, commencing 13 September 2023.

We have consulted with our major preceptors, Dorset Police and Crime Commissioner and Dorset and Wiltshire Fire and Rescue.

We wrote to the Chairman of the Dorset Association of Parish and Town Councils to ask that he shares the consultation with all Town and Parish Councils in the Dorset Council area for full awareness and engagement.

We have conducted social media and press release engagement to raise awareness through communication activity.

We have ensured Citizens Advice Dorset have been aware of the proposals and have read and engaged with the consultation.

### 9. Is further information needed to help inform decision making? No

Is an EQIA required? Yes

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## Assessing the impact on different groups of people

For each of the protected characteristics groups below, please explain whether your proposal could have a positive, negative, unclear or no impact. Where an impact has been identified, please explain what it is and if unclear or negative please explain what mitigating actions will be taken.

- use the evidence you have gathered to inform your decision making.
- consider impacts on residents, service users and employees separately.
- if your strategy, policy, project or service contains options you may wish to consider providing an assessment for each option.
- see guidance for more information about the different [protected characteristics](#).

### Key to impacts

Positive Impact	<ul style="list-style-type: none"> <li>• the proposal eliminates discrimination, advances equality of opportunity and/or fosters good relations with protected groups.</li> </ul>
Negative Impact	<ul style="list-style-type: none"> <li>• protected characteristic group(s) could be disadvantaged or discriminated against</li> </ul>
Neutral Impact	<ul style="list-style-type: none"> <li>• no change/ no assessed significant impact of protected characteristic groups</li> </ul>
Unclear	<ul style="list-style-type: none"> <li>• not enough data/evidence has been collected to make an informed decision.</li> </ul>

Impacts on who or what?	Choose impact	How
Age	Positive Impact/ with some Negative Impact  The majority of working age applicants will either receive the same or more support. Inevitably, with any change in scheme some applicants may receive less	These changes only affect people of working age and so there is no impact on people of pensionable age.  The majority of working age applicants will either receive the same or more support. Inevitably, with any change in scheme some applicants may receive less.  Those who are likely to be worse off are 160 people who have capital in excess of £6,000 who will no longer qualify for LCTR, 320 people who live in properties with a Council Tax band of F or above, and 417 people who have 4 or more children. In total 897 recipients would be

Impacts on who or what?	Choose impact	How
		<p>impacted. This information is based on data held as at 13/10/2023.</p> <p>The level of impact will vary and for many will be of low value, where the impact may be higher, applicants will be given the opportunity to apply for an Exceptional Hardship Payment under the Council's EHF scheme.</p>
Disability	Positive Impact	<p>In order to continue to protect the most vulnerable, the proposed Council Tax Reduction scheme will disregard the following disability benefits:</p> <ul style="list-style-type: none"> <li>• Personal Independence Payments;</li> <li>• Armed Forces Independence Payments; and</li> <li>• Disability Living Allowance.</li> </ul> <p>In addition to disregarding disability benefits, the proposed scheme will provide a further £50 per week disregard where the applicant, partner or dependent child is disabled.</p> <p>By moving to an income-banded scheme, it's important that certain benefits are disregarded from the calculation of income. To protect applicants who need support most we propose that any amount decided as being awarded for the following elements of Universal Credit is not counted when assessing a person's income:</p> <ul style="list-style-type: none"> <li>• Housing Element;</li> <li>• Disabled Child Element;</li> <li>• Carer's Element;</li> <li>• Limited Capability for Work and Limited Capability for Work &amp; Work Related Activity Elements.</li> </ul>

Impacts on who or what?	Choose impact	How
Gender reassignment and Gender Identity	Neutral Impact	The proposed changes to the Council's Council Tax Reduction affect all working age applicants equally and Gender reassignment or Gender Identity has no specific effect on the scheme.
Marriage or civil partnership	Neutral Impact	The proposed changes to the Council's Council Tax Reduction affect all working age applicants equally and Marriage or Partnerships have no specific effect on the scheme.
Pregnancy and maternity	Neutral Impact	The proposed changes to the Council's Council Tax Reduction affect all working age applicants equally and pregnancy has no specific effect on the scheme.
Race and Ethnicity	Neutral Impact	The proposed changes to the Council's Council Tax Reduction affect all working age applicants equally and Race and Ethnicity has no specific effect on the scheme.
Religion and belief	Neutral Impact	The proposed changes to the Council's Council Tax Reduction affect all working age applicants equally and Religion of Belief has no specific effect on the scheme.
Sex (consider men and women)	Neutral Impact	The proposed changes to the Council's Council Tax Reduction affect all working age applicants equally and a person's sex has no specific effect on the scheme.
Sexual orientation	Neutral Impact	The proposed changes to the Council's Council Tax Reduction affect all working age applicants equally and sexual orientation has no specific effect on the scheme.

Impacts on who or what?	Choose impact	How
People with caring responsibilities	Positive Impact	<p>In order to provide additional support for applicants (or their partner if they have one) who are unable to work and for those who provide care, the new scheme will fully disregard the following:</p> <ul style="list-style-type: none"> <li>• Carer's Allowance</li> </ul> <p>This is an enhancement to the current scheme which treats both payments as income.</p>
Rural isolation	Neutral Impact	<p>As this is a review of an existing scheme the proposed changes will not adversely impact anyone as far as rural isolation is concerned. People are able apply for LCTR via our website, or by requesting an application form either in writing, by e-mail or by telephone. We can also provide a home visiting service where someone is unable to access the service by any of the methods previously mentioned.</p>
Socio-economic deprivation	Neutral Impact	<p>Dorset has ten neighbourhoods that are within the top 20% most deprived nationally for multiple deprivation. Nine of these are in Weymouth and Portland. However, this is a review of an existing scheme and has already been stated the majority of people will be either no worse off or better off. We have identified the three main areas where people will lose out, and as far as socio-economic deprivation is concerned, the main area where this may apply is where there are 4 or more dependent children. However, we have looked at numerous banded income LCTR schemes that are in existence across the country and the majority of them account for households where there are up to two dependent children, but we have gone one step further with our</p>

Impacts on who or what?	Choose impact	How
		proposed scheme and increased that to three children to help mitigate loss of LCTR.
Single parents	Positive Impact	The revised scheme will continue to disregard child benefit and child maintenance, thus supporting single parents. In many instances single parents are likely to receive more benefit than under the existing scheme due to increase in the eligible amount from 90% to 100%.
Armed forces communities	Neutral Impact	It is unlikely that there will be armed forces personnel/families that will be impacted. Armed forces families who live in MOD accommodation within military camps do not pay Council Tax direct to the council and so would be ineligible to apply for LCTR. Those who live in private accommodation and do pay Council Tax direct are also likely to be in receipt of armed forces income and would be unlikely to qualify for LCTR in any event. The proposed scheme protects certain war pensioners by continuing to disregard the war pension or war disablement pension in full, a continuation of the existing provisions.

Please provide a summary of the impacts:

**The impact on the protected characteristics of the proposed revision to the LCTR scheme are largely neutral.**

**The changes only impact people of working age, and that a small minority of those will be worse off under the new proposals, mean that this could be considered to have a negative impact, but provision is made within the exceptional hardship scheme to support a period of transition.**

**There are potentially three areas where the proposed changes will have a positive impact, disability, people with caring responsibilities and single parents.**

Action Plan

Summarise any actions required as a result of this EqlA.



Issue	Action to be taken	Person(s) responsible	Date to be completed by
A small minority of working age people will be worse off under the proposed revisions to the LCTR scheme.	For staff to be mindful that the Council operates an exceptional hardship scheme and to signpost people in appropriate cases.	Tina Frampton (Benefits Manager)	Once the scheme has been approved and comes into effect i.e. 01/04/2024

## Sign Off

Officer completing this EqIA: Pat Lane

Officers involved in completing the EqIA: Katie Hale

Date of completion: 12 October 2023

Version Number: 3

EqIA review date: Equality Lead Sign Off:

### Next Steps:

- the EqIA will be reviewed by Communications and Engagement and if in agreement, your EqIA will be signed off.
- if not, we will get in touch to chat further about the EqIA, to get a better understanding.
- EqIA authors are responsible to ensuring any actions in the action plan are implemented.

Please send to [Diversity and Inclusion Officer](#)