

INITIAL SCREENING – STAGE 1 (See Guidance information)

As a public authority we need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity.

Please complete the following questions to determine whether a Full Equality Assessment is required.

Name of policy, strategy or function: Council Tax Support Scheme	Ref: CTS1
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Responsible Officer: Chris Gibbs	Role: Chairperson of Equality Assessment Task Group
Directorate: Resources	Assessment Date: 17 May 2012

Is this a:	Policy ☒	Strategy ☐	Function ☐	Service ☒
Is this:	New or Proposed ☒	Already exists and is being reviewed ☐	Is Changing ☐	

1. What are the main aims, objectives of the policy, strategy, function or service and the intended outcomes and who is likely to benefit from it

Aim of proposal: To provide a localised Council Tax support in Birmingham to replace the existing Council Tax Benefit Scheme.

Objectives: To provide a support scheme that helps the most vulnerable (including pensioners and vulnerable groups) with financial assistance towards their Council Tax liability.

Outcomes: The implementation of a support scheme which provides support for the most vulnerable people including pensioners and vulnerable groups and provides an incentive to encourage people to obtain employment, but that reduces the current Council Tax benefit payment for some claimants as a result of a 10% reduction in Government support.

Benefits: It will continue to support households in Birmingham with a council tax liability subject to the set of rules that determines entitlement along with providing protection for pensioners and vulnerable groups.

Context:

Council Tax Benefit is currently a national welfare benefit delivered by local authorities. Entitlement is based on a means test and awards are directly rebated against an individual's Council Tax liability, leaving a 'net amount payable'.

Maximum Council Tax Benefit is payable up to 100% of the bill; typically pensioners and people in receipt of income based out of work benefits receive full benefit. People on a low income,

including some who are working receive part rebated bills based on the level of their income and their household circumstances.

The introduction of the Government's welfare reform measures include the abolition of Council Tax Benefit as a national scheme replacing it under the Local Government Finance Act 2012 with a requirement for local authorities to design and implement localised Council Tax Support schemes which must be operational from April 2013.

Although not prescriptive about the protections localised schemes should contain, the Government has given guidance that should be considered when designing a scheme, and has imposed some requirements. The largest of the requirements is the maintenance of the existing scheme for pensioners that will be delivered through a national framework of criteria and allowances.

The scheme for working age customers is to be designed by the local authority based on the government's suggestion that support be provided for the most vulnerable. This includes giving consideration (amongst other things) to responsibilities under the :

- Child Poverty Act 2010
- Disabled Persons Act 1986
- Chronically Sick and Disabled Persons Act 1970
- Housing Act 1996.

In addition the Government is reducing the current level of funding by 10%. This represents around £10.9 million for Birmingham, and the Council Tax Support scheme will need to take this into account.

This will inevitably mean that customers will receive less help; and by definition the City will have to collect approximately £10.9 million more in Council Tax with the obvious knock on effects of collection, cash flow and bad debt provision.

In looking to provide protection to pensioners and other vulnerable groups, it is clear therefore that working age customers without a disability income or dependant children will be those disadvantaged by the change.

Purpose of the EA:

This Equality Assessment considers the impact of the Council Tax Support scheme and assesses potential and intended outcomes against the protected characteristics. The purpose of this process is to test the scheme to ensure it will not have a discriminatory effect or that, if it could do so, the authority have the opportunity to address those effects and eliminate or mitigate them, so far as is possible, to avoid operating illegally and bringing unwanted risk to the organisation.

2. Explain how the main aims of the policy, strategy, function or service will demonstrate due regard to the aims of the General Duty?

- | | |
|--|---|
| 1. Eliminate discrimination, harassment and victimisation? | x |
| 2. Advance equality of opportunity? | x |
| 3. Foster good relations? | x |
| 4. Promote positive attitudes towards disabled people? | x |
| 5. Encourage participation of disabled people? | x |

6. Consider more favourable treatment of disabled people? x

The council tax support scheme will essentially be a means tested scheme available to all, which has due regard to the circumstances and means of all households in Birmingham who have made an application, whether or not they have protected characteristics. This supports the most vulnerable people as far as possible.

Disabled people, those in receipt of a war pension and claimants with a disabled children or children under 6 will fall within a protected vulnerable group and their current entitlement will not be reduced by the scheme. Pensioners will also be protected as support will come within a national framework and as a consequence both groups will have the maximum benefit entitlement remaining at 100% of the Council Tax liability as opposed to the potential of restricting entitlement to 76% for other claimants.

In delivering a scheme that takes into account the reduction in the overall council tax support budget we must also consider supporting the Governments "incentive to work" agenda as part of Universal Credit.

'Due regard' to the aims of the general duty will be considered for each of the options being considered for the Scheme in the full EA.

3. What does your current data tell you about who your policy, strategy, function or service may affect:

Service users	Yes X	No ☐
Employees	Yes X	No ☐
Wider community	Yes X	No ☐

Please provide an explanation for your 'Yes' or 'No' answer

Service Users:

Current customer profile data relating to those affected by the options is limited and will be addressed and reported when considering the options at the full screening.

The current national rule based Council Tax benefit system provides us with some useful data about who the new scheme will affect. From data available it's known that there are 136,400 households currently in receipt of help towards their council tax benefit. This can be further split between pensionable age claimants and working age claimants these being 51,403 and 84,997 respectively. All of these households could be considered vulnerable from an economic perspective, although not all will have members with protected characteristics.

Current expenditure on council tax is £1.99 million per week or approximately £103.5 million per annum and represents approximately 35% of the total domestic Council Tax payable in the City.

62.31% is awarded to working age claimants and 37.69% to pensioners. Of those of working age 31.79% of recipients receive less than full benefit, largely due to earned income and the operation of tapers.

72.33% of pensioners receive full awards mainly as a result of receiving guaranteed pension credit.

Employees:

From an employee perspective the continuation of a support scheme administered by Birmingham City Council will continue to provide employment for some benefit staff, when other jobs are at risk as a result of housing benefit being absorbed within Universal Credit. The latter (HR implications will be subject to a separate EA if necessary).

Wider community:

The proposal to cut Council Tax support by an estimated £10.9m will result in a reduction of a corresponding amount to be circulated within the local economy directly affecting the wider community.

Relevant demographic information will also be considered in the full EA.

4. Are there any aspects of the policy, strategy, function or service, including how it is delivered, or accessed, that could contribute to inequality? (including direct or indirect discrimination to service users or employees)

Yes x

No ☐

Please provide an explanation for your 'Yes' or 'No' answer

The proposed policy comes with limited specification from Government that will directly create inequality between those of pensionable and working age. We have no alternative but to protect the existing scheme for pensioners leaving the savings burden to be absorbed by working age households. The full EA will help to ensure that this is done equitably and will also consider any mitigating action to rectify any adverse impact.

In designing the scheme for working age claimants, the Government advocate that the most vulnerable should be provided for, giving consideration to the Child Poverty Act 2010, Disabled Persons Act 1986, Chronically Sick and Disabled Persons Act 1970 and the Housing Act 1996. The design of the scheme will therefore incorporate measures which directly benefit disabled people, households with children and pensioners.

5. Will the policy, strategy, function or service, have an adverse (negative) impact upon the lives of people, including employees and service users?

Yes x

No ☐

Please provide an explanation for your 'Yes' or 'No' answer

Based on the existing working age caseload 84,997 claimants will be affected. If we are to achieve the objective of supporting the most vulnerable, while keeping the costs of the council tax support scheme within the level of Government funding, it is clear that a number of customers who would receive less support in paying their council tax will be adversely affected. Broadly, it was envisaged that these objectives could be met in one of four ways:

1) People of working age will have to pay 24% of their council tax liability unless they are disabled, have a disabled child, are in receipt of a war disablement pension, war widows pension or war widower's pension or had a dependant child under the age of 6.

2) All people of working age pay 20% towards their council tax liability,

3) All people of working age pay 20% towards their council tax liability but on a maximum Band C charge for customers in Band D-H.

4) All people who occupy Band A-C properties of working age would pay 20% towards their council tax liability and there would be no support for people in Band D-H properties.

6. Is an Equality Assessment required?

If your answer to question 2 has identified potential adverse impact and you have answered '**yes**' to any of the following questions 3, 4, or 5, then you should carry out a Full Equality Assessment.

Does the Policy, Strategy, Function or Service require a Full Equality Assessment? **Yes x** **No** ☐

If a Full Equality Assessment is required, before proceeding you should discuss the scope of the assessment with service managers in your service area as well as the Directorate Contact Officer.

If a Full Equality Assessment is **Not** required, please sign the declaration and complete the Summary statement below, then forward a copy of the Initial Screening to your Directorate Contact Officer

If a Full Equality Assessment **Is** required, you will need to sign the declaration and complete the Summary statement below, detailing why the Policy, Strategy, Function or Service is moving to a Full Equality Assessment. Then continue with your Assessment

DECLARATION

A Full Equality Assessment not required, the Initial Screening has demonstrated that the Policy, Strategy, Function or Service is robust; there is no potential for discrimination or adverse impact. All opportunities to promote equality have been taken.

Chairperson: Chris Gibbs

Sign-off Date:

Summary statement: A large proportion of the existing customers in receipt of Council Tax benefit will be detrimentally affected by the proposed new scheme. A full equality assessment is therefore required which will take account of data which is currently being processed, demographic information and findings from consultations.

Quality check: The screening document has been checked using the agreed audit arrangements in the Directorate:

Name: (Officer/Group carrying out the Quality Check)

Date undertaken:

Screening review statement:

Directorate:

Contact number:

Equality Assessment Task Group Members

Name

Role on Task Group

(e.g. service user, manager or service specialist)

Contact Number

1. Clive Biddlestone

Lead and facilitator

0121 464 1483

2. Yuen Lam

3. Elizabeth Moss

4. Michelle Jarrett

5. Sue Harley

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FULL EQUALITY ASSESSMENT– STAGE 2

Step 1– Scoping the Equality Assessment

Building on the material included at the Initial Screening stage, you should begin the Equality Assessment by determining its scope. The Equality Assessment should consider the impact or likely impact of the policy, strategy, function or service in relation to all areas of our remit. The Equality Assessment should be proportionate to the significance and coverage of the policy, strategy, function or service.

1. What data, research and other evidence or information is available which will be relevant to this Equality Assessment? Please tick all that apply

Service Targets	☐	Performance Targets	☐	Service Take-up	☐
User Satisfaction	☐	Press Coverage	☐	Census Data	☐
Workforce Monitoring	☐	Community Intelligence	☐	Previous Equality Impact Assessment	☐
Complaints & Comments	☐	Information from Trade Unions	☐	Staff Survey	☐
Other (please specify)	☒	Caseload demographics data extract			

Please provide details on how you have used the available evidence/information you have selected as part of your Assessment?

From the Council Tax caseload data available it is known that there are 136,400 households currently in receipt of financial assistance with their Council Tax. This can be further split between pensionable age claimants and working age claimants these being 51,403 and 84,997 respectively.

All of these households could be considered vulnerable from an economic perspective, although for the purpose of this assessment, we have excluded pensioners as all pensioners, regardless of whether they are working or not, are protected from any changes in the new Council Tax Support scheme and will continue to receive their current level of means-tested help. A pensioner is defined as anyone born before 06 October 1951.

Current expenditure is £1.99 million per week or approximately £103.5 million per annum and represents approximately 35% of the total domestic Council Tax payable in the City.

62.31% is awarded to working age claimants and 37.69% to pensioners. Of those of working age 31.79% of recipients receive less than full benefit, largely due to earned income and the operation of tapers. 72.33% of pensioners receive full awards mainly as a result of receiving guaranteed pension credit.

Additional data was commissioned from the Customer Knowledge Team to try and enhance our data. This has helped, but it must be noted that we still only hold ethnicity data for 25% of the caseload (i.e. current council tax benefit recipients). Our baseline data for working age claimants is as follows:

White UK	13,571	54.40%
Afghan	118	0.47%
Bangladeshi	1058	4.24%
Indian	798	3.20%
Pakistani	3,603	14.44%

Asian Other	502	2.01%
Black African	1,220	4.90%
Black Afro Caribbean	2,159	8.66%
Black Other	690	2.77%
Chinese	108	0.43%
Kashmiri	198	0.80%
Vietnamese	90	0.36%
Irish	385	1.54%
Mixed Background	445	1.78%
Not Known	60,052	
Total	84,997	
Female	50,351	
Male	34,646	

Claimants with Children: 45,490 (includes children under 6)

Claimants with children under 6: 21,129

Claimants with a disability: 13,606

We have used the data to consider if there are any groups with protected characteristics who are adversely impacted by our four original proposals (set out below).

The baseline data indicates that 16.33% of working age claimants are persons belonging to black ethnic minority groups, whereas census figures from 2011 show that black ethnic minority groups make up only 8.9% of the population of the city. This indicates that the proposed changes may impact black ethnic minority groups more than other ethnic groups.

The changes do not, however, discriminate on the grounds of ethnicity and will adversely affect everyone who has a limited income. One of the purposes of the Scheme is to encourage people to enter employment and this will be the best way to mitigate the adverse impact. Details of this are set out below.

This assessment has been completed at a city wide level and not at a ward level due to the limited amount of equality information we hold. If the data was to be split down further into the 40 wards it would lose its clarity. In addition to this, the numbers would be so small it would be very difficult to draw any definitive conclusions.

2. Have you identified any gaps in relation to the above question? Yes ☒ No ☐
If 'Yes' please detail including what additional research or data is required to fill these gaps? Have you considered commissioning new data or research?

If 'No' proceed to Step 2.

We know that we hold ethnicity data for only 25% of the caseload for current council tax benefit recipients and have made attempts to bolster this through information from the Customer Knowledge Team. However, we do not believe that there is an ethnic imbalance between those who do and do not supply information. We have used all data available to us. In the paper '*Ethnic Monitoring – a guide for public authorities*' (written by the then Commission for Racial Equality) it advises "...if you cannot achieve the minimum level of information, you should analyse

whatever data you have.”

We will take additional steps to improve the collection of equality data to inform this impact assessment by collecting monitoring information as part of the consultation questionnaire. This will allow us both to monitor both who has participated and also enable us to analyse further how different groups may be affected.

We also reviewed the DWP impact assessments for Universal Credit, to check that we were not misaligned to it.

Step 2 – Involvement and Consultation

Please use the table below to outline any previous involvement or consultation with the **appropriate** target groups of people who are most likely to be affected or interested with this policy, strategy, function or service. (See Appendix 2 - for details on each target group)

Target groups	3. Describe what you did, with a brief summary of the responses gained and links to relevant documents, as well as any actions
Age	All residents of Birmingham, regardless of age were invited to participate in a 90-day consultation; this included the completion of an online questionnaire or attendance at a public meeting. We were particularly interested to hear the views of working-age people as it is this group that will be most affected by the changes. 86% of the responses to the survey were from working-age people. In the public meetings it was highlighted that people in receipt of JSA received less income than pensioners and there was a general perception that pensioners were wealthier than other groups in receipt of benefits so should not be protected in the new council tax support scheme. It was also mentioned at the meetings that young people would be adversely impacted as they receive lower benefits in general. A summary of all feedback is provided in section 4.
Disability	All residents of Birmingham, regardless of disability were invited to participate in a 90-day consultation; this included the completion of an online questionnaire or attendance at a public meeting. The proposed scheme looks to offer protection to disabled people, so we were particularly interested to hear people's views on this. The main area of concern relating to disability, which was expressed in the consultation, was that those who do not

	qualify for the Disability Premium as a result of being moved onto ESA were excluded from the proposed protected group. There was also concern that those people with low level mental health issues were also being overlooked.																						
Gender reassignment	We do not collect this information and it is not likely that this will be available in the near future. However, we do not envisage an adverse impact on the grounds of gender reassignment. There were no comments received in relation to gender reassignment during the consultation.																						
Marriage and Civil partnership	We do not collect this information and it is not likely that this will be available in the near future. However, we do not envisage an adverse impact on the grounds of marital status. There were no comments received in relation to marriage and civil partnership during the consultation.																						
Pregnancy and maternity	A pregnant woman would be treated as any other person whilst pregnant and after birth she would then fall into the protected group of having a child aged less than 6 years. There were no comments received in relation to pregnancy and maternity.																						
Race	All residents of Birmingham, regardless of ethnicity were invited to participate in a 90-day consultation. This included the completion of an online questionnaire or attendance at a public meeting. We did not receive any feedback suggesting that any one ethnic group was more affected than any other on any aspect of the proposed scheme. On the issue of Back-dating, opposition was strongest from Asian and Black African / Caribbean groups. The ethnic origin of those who participated in the survey was : <table> <tr> <td>White English / Welsh / Scottish / Northern Irish / British</td><td>67.50%</td></tr> <tr> <td>White Irish</td><td>3.90%</td></tr> <tr> <td>White Non-British</td><td>2.70%</td></tr> <tr> <td>Asian or Asian British Indian</td><td>3.90%</td></tr> <tr> <td>Asian or Asian British Pakistani</td><td>7.80%</td></tr> <tr> <td>Asian or Asian British Bangladeshi</td><td>1.50%</td></tr> <tr> <td>Asian or Asian British Chinese</td><td>0.20%</td></tr> <tr> <td>Asian or Asian British Other</td><td>1.40%</td></tr> <tr> <td>Black or Black British Caribbean</td><td>4.60%</td></tr> <tr> <td>Black or Black British African</td><td>2.30%</td></tr> <tr> <td>Black or Black British Other</td><td>0.50%</td></tr> </table>	White English / Welsh / Scottish / Northern Irish / British	67.50%	White Irish	3.90%	White Non-British	2.70%	Asian or Asian British Indian	3.90%	Asian or Asian British Pakistani	7.80%	Asian or Asian British Bangladeshi	1.50%	Asian or Asian British Chinese	0.20%	Asian or Asian British Other	1.40%	Black or Black British Caribbean	4.60%	Black or Black British African	2.30%	Black or Black British Other	0.50%
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	Arab	0.60%
	Gypsy / Romany / Irish Traveller	0.20%
	Mixed Race - Asian and White	0.80%
	Mixed Race - Black African and White	0.20%
	Mixed Race - Black Caribbean and White	1.10%
	Other Mixed / Multiple Ethnic Background	0.80%

Religion and belief	We do not collect this information and it is not likely that this will be available in the near future. During the consultation we did not receive any feedback about any particular religious group being more affected than another on any aspect of the proposed scheme. The religious breakdown of those who answered the survey is: <table> <tr> <td>Buddhist</td><td>0.8%</td></tr> <tr> <td>Christian</td><td>43.1%</td></tr> <tr> <td>Hindu</td><td>0.6%</td></tr> <tr> <td>Jewish</td><td>0.6%</td></tr> <tr> <td>Muslim</td><td>12.2%</td></tr> <tr> <td>Sikh</td><td>1.5%</td></tr> <tr> <td>No Religion</td><td>26.1%</td></tr> <tr> <td>Prefer Not To Say</td><td>15.2%</td></tr> </table>	Buddhist	0.8%	Christian	43.1%	Hindu	0.6%	Jewish	0.6%	Muslim	12.2%	Sikh	1.5%	No Religion	26.1%	Prefer Not To Say	15.2%
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Sex	Not applicable to this project. We do not collect this information and it is not likely that this will be available in the near future. However, we do not envisage an adverse impact on the grounds of gender. 50% of respondents were male, 44% were female and the rest chose not to answer.
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Sexual orientation	No consultation feedback was received about any particular sexual orientation being more affected than another, on any aspect of the proposed scheme. 79.9% of respondents identified themselves as heterosexual, 3.6% as gay or lesbian, 0.8% as bisexual and the rest preferred not to say or chose 'other'.
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4. Who are the main stakeholders and what are their requirements?

The main stakeholders are all people of working-age (as this is who the new scheme will affect detrimentally). Regardless of whether a person currently claims Council Tax Benefit or not, they may need to in the future.

Pensioners are not affected by this change as the Government has prescribed that they will continue to receive their current means-tested benefit. However, they, along with residents who receive no form of Council Tax Benefit, may still be interested in making representations about the new scheme.

At the start of the project in July 2012 we initially considered four models for how the new scheme could work. We analysed the impact on target groups for each of these models so that a preferred model could be identified. See below:

Model 1: Everyone Pays Something (80% liability cap)

The following rule is used in this model:

- Introduce a maximum limit of 80% on the amount of Council Tax liability that can be considered eligible for Council Tax Support.

This rule could be applied across all claimants, which would mean everybody would have to pay 20% of their Council Tax bill. This option would therefore adversely affect all 84,997 claimants regardless of their protected characteristic.

In particular it would adversely affect:

- a) 13,606 claimants entitled to a disability premium;
- b) 45,490 claimants with children (of which 21,129 include claimants with children under the age of six).

Advantages of Model 1

- This model makes savings of £12.5 million
- Everyone is treated consistently
- It corresponds with the policy that 'work must pay
- It would provide enough additional funding for the forecast increase in claims and a hardship fund
- No need to use the technical Council Tax reforms (e.g. liability on empty properties)
- The scheme is simple to understand and everybody would know how much they will have to pay.

Disadvantages of Model 1

- The model takes no account of individual circumstances and therefore risks impacting most heavily on people who cannot increase their incomes, and who may have protected characteristics, e.g. the disabled and parents of young children.
- Council Tax may prove difficult to collect as lots of small amounts of Council Tax would need to be recovered from people who have never had to pay before. This would increase the

authority's collection costs.

- The authority is not fulfilling its duties under the Child Poverty Act 2010, the Housing Act 1996 and the Equality Act 2010.

Model 2: Everyone Pays Something (76% liability cap). Protect citizens with a disability and those with children under 6 and reduce backdated awards to a maximum of 1 month.

The following rule is used in this model:

Introduce a maximum limit of 76% on the amount of Council Tax liability that can be considered eligible for Council Tax Support whilst also:

- reducing backdate support to a maximum of 1 month
- Protect customers who are in receipt of a war disablement pension, are disabled, have children who are disabled and those who have children under the age of 6 i.e. their Council Tax Support will be based upon 100% of their eligible Council Tax.

Those who are disabled, those with a war disablement pension, those with a disabled children or children under the age of six would be protected in this model but would be subject to the same backdating rules as all other claimants.

There were a total of 3,457 backdated cases awarded last year, of which we have ethnicity details for 1120 Cases (32%). Our baseline data for backdated awarded to working age claimants is as follows:

White UK	649	57.95%
Afghan	6	0.54%
Bangladeshi	20	1.78%
Indian	47	4.20%
Pakistani	95	8.48%
Asian Other	42	3.75%
Black African	42	3.75%
Black Afro Caribbean	126	11.25%
Black Other	30	2.68%
Chinese	2	0.18%
Kashmiri	5	0.44%
Vietnamese	0	0.00%
Irish	11	0.98%
Mixed Background	45	4.02%

When we consider the ethnicity of working age claimants affected by the proposal it broadly reflects the percentages of the caseload except for the Pakistani grouping which has a slightly smaller percentage take up of backdate compared to the caseload and Black Afro Caribbean which has a higher percentage take up of backdated benefit. However this is within a very small range.

Advantages of Model 2

- The savings for this model are £10.4 million
- The authority is paying due regard to the Child Poverty Act 2010 and the Equality Act 2010.
- The reduced period of backdates is in line with Universal Credit rules and so it will be easier for claimants to understand.
- The policy intent of 'work must pay' is supported.

Disadvantages of Model 2

- Those who do not fall within a protected group will have a reduced council tax liability against which support will be assessed, than those within the protected groups.
- A single claimant in receipt of ESA will not be entitled to the disability premium (even if they receive another qualifying benefit such as DLA) so are not protected under the Draft Scheme
- Could be considered to be a two-tier system as some people are protected and others are not.
- Claimants who may never have been required to pay previously may experience stress, anxiety and debt as a result of reduced support.
- Council Tax may prove difficult to collect and this would increase the authority's collection costs

Model 3: Everyone Pays Something (80% liability cap). Protect citizens with a disability and those with children under 6. Base Council Tax Support on a maximum Band C charge for customers in Band D-H properties and reduce backdated awards to a maximum of 1 month.

The following rule is used in this model:

Introduce a maximum limit of around 80% on the amount of Council Tax liability that can be considered eligible for Council Tax Support whilst also:

- reducing backdate support to a maximum of 1 month
- basing the eligible council tax used in the means test to the maximum of a Band C charge, i.e. even for customers in Band D – H properties and
- protecting customers who are disabled and those who have children under 6 under the existing CTB rules i.e. their Council Tax Support will be based upon 100% of their eligible council tax.

As under model 2, those who are disabled, those with a war disablement pension, those with a disabled children or children under the age of six would be protected in this model but would be subject to the same backdating rules as all other claimants. Everybody else would have to pay around 20% of their Council Tax bill, *with customers living in band D-H properties having to pay more as they will only be eligible for support up to a maximum of a band C Council Tax charge.*

We have looked at which customers living in band D-H properties would be affected and considered which ethnic group they belong to. This is detailed below:

Afghan	2%
Bangladeshi	3%
Indian	8%
Pakistani	5%
Black African	3%
Black Afro-Caribbean	2%

Chinese	5%
Kashmiri	6%
Vietnamese	2%
White Irish	3%
White UK	3%

Most ethnicities are affected. Some communities are more affected than others e.g. Indian 8%, Pakistani 5%, Kashmiri 6% and Chinese 5%. However the numbers concerned are minimal with the highest being Pakistani at 176.

This option could discriminate against those ethnic groups where it is traditional for several generations to live together in the same property i.e. Pakistani, Indian, Chinese and Kashmiri.

Families may be pushed to downsize and this may lead to overcrowding. This would be especially unacceptable in families who live with vulnerable/elderly relatives who may have special needs and requirements.

Advantages of Model 3

- Same as for Model 2.
- The savings for this model are £9.0 million.
- The asset rich (those living in larger properties) will be contributing more.

Disadvantages of Model 3

- This will adversely affect people who are asset rich but cash poor.
- Large families who rent their property (so not asset rich) will be required to contribute more than they currently do, leading to a perception that bigger families are penalised
- It will affect people in houses in a multiple occupation (e.g. those who are house sharing) who are already affected by having to pay a minimum of 20% of their Council Tax.
- 'Bedroom Tax' is a housing benefit restriction which comes into affect on 1st April 2013. Those affected by this could be doubly 'hit' by this and Model 3 of Council Tax Support.

Model 4: Everyone Pays Something (80% liability cap), Protect citizens with a disability and those with children under 6. Limit Council Tax Support to those in Band A-C properties, those in Band D-H properties are no longer entitled and reduce backdated awards to a maximum of 1 month.

The following rule is used in this model:

Introduce a maximum limit of around 80% on the amount of Council Tax liability that can be considered eligible for Council Tax Support whilst also:

- reducing backdate support to a maximum of 1 month
- limiting Council Tax Support to customers in band A - C properties only. Customers in Band D-H properties would no longer be entitled, and
- protect those customers who are disabled and those who have children under 6 under the existing CTB rules i.e. their Council Tax Support will be based upon 100% of their eligible Council Tax.

As with models 2 and 3, those entitled to a disability premium or disabled child premium, have a

war disablement pension or who have children under 6 years of age are protected in this model. The people who would be adversely affected by model 3 are equally affected by model 4 but the impact is now greater, as they would receive no Council Tax Support at all if living in a Band D-H property.

Advantages of Model 4

- Same as for Model 3.
- The savings for this model are £10.1 million.
- Offers protection to the disabled and those with young children.

Disadvantages of Model 4

- As for Model 3 plus:
- Larger families with children 6 years or over, who rent larger homes (so not asset rich), would receive no support with their Council Tax.
- Larger families could be forced to live in smaller properties and face overcrowding.
- Complex for the authority to administer and to explain to claimants.

Model 2 was the preferred model because it met the objectives of protecting the most vulnerable people, providing work incentives and making the relevant savings.

Please see embedded document below for examples of how this model impacts financially on different customer circumstances.



Examples Model
2.doc

The Proposed Draft Scheme

The Draft Scheme was approved by cabinet on 7th September 2012. The Draft Scheme would largely follow the Government's default scheme, subject to the changes set out below.

- a) A 'cap' of 76% will be set as a proportion of the claimant's eligible Council Tax liability

This means the assessment of council tax support for claimants other than those listed below will be set at 76% of their council tax charge. This capped liability will be used in the calculation of entitlement based on the claimant's circumstances. This will affect 50,246 claimants.

As such most claimants of working age will be expected to contribute some payment towards their council tax bill. The amount they are required to contribute will depend on their individual financial circumstances and the makeup of their household.

The following groups, however, will not be affected by the cap and will continue to be entitled to council tax support based on a 100% of their Council Tax liability.

- Claimant or their partner is a pensioner.
- Claimant or their partner is entitled to a disability premium or disabled child premium. There are 13,606 claimants who fall within this category.

- Claimant or their partner receives a war disablement pension, war widows pension or war widower's pension. There are 16 claimants who fall within this category.
- Claimant or their partner has a dependent child under 6 years of age. There are 21,129 claimants who fall within this category.

As such people with the greatest need of support, pensioners, those with a disability, those in receipt of a war pension and those with dependant children under 6 years of age and those with a disabled child would be excluded from the liability cap as detailed in section a) and will continue to receive support at the same level as Council Tax Benefit.

It is also proposed within the Scheme to introduce a maximum limit for backdating Council Tax Support claims up to 1 month. This is in line with Government plans for Universal Credit.

Finally, it is proposed to create a discretionary Hardship Fund to support people suffering from genuine hardship, whether or not they fall into the category of people with greatest need of support. This reflects our aim to support the most vulnerable in our society.

Advantages of the proposed scheme

- The savings for this model are £10.9 million
- The authority is paying due regard to the Child Poverty Act 2010 and the Equality Act 2010.
- The reduced period of backdates is in line with Universal Credit rules and so it will be easier for claimants to understand.
- The policy intent of 'work must pay' is supported.

Disadvantages of the proposed scheme

- Those who do not fall within a protected group will have a reduced council tax liability against which support will be assessed, than those within the protected groups.
- A claimant in receipt of Employment Support Allowance will not be entitled to the disability premium (even if they receive another qualifying benefit such as Disability Living Allowance) so are not protected under the proposed Scheme
- It could be considered to be a two-tier system as some people are protected and others are not.
- Claimants who may never have been required to pay previously may experience stress, anxiety and debt as a result of reduced support.
- Council tax may prove difficult to collect and this would increase the authority's collection costs.
- Certain claimants, who do not claim within one month, will not have their support backdated.

Rationale for Protecting Specified Groups

1. In the Governments statement of intent regarding the localisation of council tax support it outlined some principles which it expects all new schemes to embrace. These principles included a duty on every local authority to consider when designing its scheme the impact of any new scheme on the most vulnerable. Given these duties, one of the main principles of the Scheme is that those 'people in the greatest need of support' will be protected from the impact of any changes.

2. The Council believes that people with disabilities, who are entitled to a disability premium or disabled child premium, are likely to need more support than most people as their opportunities for increasing their income to meet any contributions are limited. Accordingly, such claimants have been protected from any changes made by the Scheme.
3. The Council recognises that childcare provision and costs can act as a deterrent to securing suitable employment and so we want to support families with preschool children. As such the Council decided to protect claimants with children under the age of 6 from the changes made by the Scheme. The Council has chosen to include protection for families with children under the age of 6 (rather than 5) so as to give claimants a transitional year after their children gone to school to enter into employment.
4. The Council recognises the sacrifices made by people in receipt of military compensation payments. As such it has protected claimants entitled to war widows, war widowers and war disablement pensions from any of the changes made by the Scheme.

Public Consultation on the Proposed Draft Scheme

A public consultation on the Draft Scheme was held for 12 weeks commencing Monday 10th September 2012. As part of this consultation, the following activities were delivered:

A webpage www.birmingham.gov.uk/counciltaxsupport was set up. The webpage contained a copy of the draft scheme, a copy of the consultation document and supplementary information. It also had a link to an online questionnaire and details of where public meetings would be held. An email address was also provided for any comments or questions.

The homepage of the Birmingham website featured our campaign logo and a link to take people to the dedicated webpage.

A letter was sent to all council tax benefit claimants advising them of the changes and directing them to the webpage. The letter also advised (via a list of translations which were: Punjabi, Arabic, Bengali, Chinese, Gujarati, Urdu and Vietnamese) that the consultation document and draft scheme could be provided in a different language or format upon request. The letter also advised that if people did not have access to the internet that they could request a paper copy of the draft scheme and its explanatory documents via the phone number provided.

A four page supplement was published in the Birmingham Evening Mail, Birmingham Post and Birmingham News and also on the Evening Mail website on Thursday 20th September 2012. It detailed the proposed scheme, the reasons behind it and encouraged people to take part in the consultation. An article was also featured in 'Forward' magazine which was distributed to every household in the city at the end of October 2012.

Posters were displayed around the city and leaflets were sent to libraries, leisure centres and Job Centre Plus Offices. We contacted by email, Community Networks, Law Centres, Welfare Agencies and Advice Centres and signposted them to information on our Draft Scheme and consultation. We also used the Birmingham Voluntary Services Council and People First Birmingham to disseminate our information through their networks.

The consultation was publicised via Birmingham City Council's Facebook page and Twitter feed and this was updated regularly.

Please see embedded document for a summary of the contact made with our various stakeholders.



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The consultation process itself has also been considered for equality impacts:

Location and number of meetings:

There were 5 open-invite consultation meetings. These were held in north, south, east, west and central Birmingham so that everyone has an opportunity to attend a meeting which was relatively local to them. Accessibility and public transport routes were also checked when selecting venues.

Two invite-only meetings through community based organisations Birmingham Voluntary Service Council and People First. Meetings were also held with the BSHP group of Registered Social Landlords and the Private Rented Sector Forum.

Distance & Timings

Where possible, we tried to select venues which required only one direct bus and no need to change so that those on public transport were not prohibited from attending. We also considered which areas have a high concentration of council tax benefit claimants.

We considered that women, who are often the prime carers of children, may not have the ability to travel far out of their area or there may be cultural reasons why they cannot. Similarly, older people, those with mobility problems, shift workers and people with child-care commitments may find it difficult to get to a meeting. To mitigate for this we offered an email and telephone facility for people to contact us with questions or comments about the draft scheme. We also offered meetings at evenings and weekends.

Support arrangements:

There may be people who require the services of an interpreter, signer or other support. It would not be practical or cost effective to have these services readily available at meetings but we offered the provision through advance booking. There were no requests for support at any of the meetings. We did receive individual requests for our documents to be translated into Punjabi, Urdu and Arabic. In addition to this within the telephone facility that was provided an interpreting service via 'thebigword' was available for non-English speakers.

Other considerations

All of the meeting venues were fully compliant with the Disability Discrimination Act and had wheelchair access and disabled toilet facilities. The People First meeting was for people with a learning disability and their carers therefore a Easy Read version of the proposed scheme was prepared and the information presented at the meeting was communicated in an Easy Read format.

The overall consultation findings summarised below are from a significant number of Birmingham residents and are structured under the headings against which we sought responses.

Respondents who participated in the consultation survey have been broken down into the following key areas:

- 50% were male, 44% female (the rest did not say);
- 72% were White British/Irish
- 7% were British Black African/African-Caribbean
- 15% were British Asian (of which more than half were Pakistani)
- 20% were in receipt of disability premium
- 6% were aged less than 30 years and 23% were aged 60 or over. (18% were pensioners.);
- All wards in the city were represented ranging from 17 people from Sutton New Hall and 18 from Stechford and Yardley North and to 56 from Moseley and Kings Heath.

A high percentage of respondents (70%) were existing Council Tax Benefit claimants with 84% being of working age (defined as up to 64 years).

A summary of the results, is embedded in this table:



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Approach

Birmingham's proposed approach to implementing a localised Council Tax Support scheme was to keep costs within the level of Government funding.

- Nearly half of online respondents (45% or 587 respondents) said that Birmingham City Council is adopting the right approach.
- 35% or 452 did not agree.
- 20% or 261 respondents did not know.
- Out of the 34% of respondents who did not agree with Birmingham's approach: 60% said that the Scheme should be paid for by cutting services and 48% said that council tax should be raised.

Working Age must Pay

Do you think that most people of working age, whether or not they are working, should be expected to pay something towards their council tax?

- Just over half (52% or 586 respondents) said that most people of working age should be expected to pay something towards their council tax. 41% or 468 said no and 7% or 77 respondents did not know. The majority of respondents believed that some form of payment was acceptable.
- Nearly half (49% or 586 respondents) said that most people of working age should pay at least 24% or more. 34% or 381 respondents thought the 24% minimum was too high. 17% or 197 respondents did not know.

Impacted Groups

There was concern at all the public meetings that there would be a negative impact on those least able to pay and who could not find adequately paid work. Groups mentioned in particular were:

- Young people who would be receiving lower benefits in general;
- Those only receiving Job Seekers Allowance or Income Support;
- Those in low paid or part-time work;
- Those with poor social skills and low level mental health issues

There was particular concern about the combined effect of the changes to other benefits, in particular Housing Benefit and the 'bedroom tax', and for people with disabilities who would not qualify for disability premium as a result of being moved onto ESA.

Similar concerns were raised by the Registered Social Housing Partnership and SIFA Fireside.

Protected Groups

Do you think that some categories of people should be protected and their claim assessed on 100% of their council tax liability?

- There is very strong support (86% or 975 respondents) for protecting some groups from having to pay. The highest support for those identified in the proposed Scheme was for people with disabilities (86% or 842 respondents), disabled children (78% or 759 respondents) and war pensioners (73% or 707 respondents). 58% or 565 respondents agreed with protecting customers with a dependant child under 6.
- There was much disquiet at the public meetings about who would qualify for disability protection, particularly as many may be excluded as they move from Incapacity Benefit to Employment Support Allowance.
- During consultation it was also raised that parent carers of disabled adults (non dependants) should also be protected. The responses suggested that it would become unsustainable for carers to continue to provide care if they were required to make a greater contribution to their council tax liability. This could lead to a breakdown in caring relationships, and a reduction in the choice and control of disabled adults about how they receive care and who they receive care from. Concerns were also raised about the possibility that the Council will seek to make cuts to services for disabled adults and carers.

Backdating

Do you think that backdating of claims should be limited to one month?

What do you think is the correct length of time for backdating claims?

- 41% or 434 respondents agreed with limiting backdates to 1 month. 48% or 512 respondents are opposed to limiting backdating to 1 month. 11% or 120 respondents did not know.
- Of the 48% that are opposed to limiting backdating 47% thought the correct length of time for backdating claims was over 3 months with 44% thinking that it should be limited to 3 months.
- Voluntary Sector Organisations stated that many of the people that they deal with tend to lead the sort of lives that leads to a late recognition that they can claim benefits.
- On the issue of Back-dating , opposition was strongest from Asian and Black African/ Caribbean groups

Empty Properties

Do you agree with our proposals to reduce these discounts?

Do you agree with our proposals to charge up to 150% of the normal Council Tax for properties empty for two years or more?

- Two thirds (68%) agreed that empty property discounts should be reduced. A high proportion (69%) also agreed with charging up to 150% for properties that have been empty for more than 2 years.
- There was some concern that this might discourage landlords from repairing properties and that a month or two's grace should be given. Also concern that people who inherited an empty property needing repair might be hit.
- There was a great deal of concern from the Birmingham Social Housing Partnership that this would *"impact substantially on our costs, our services to residents and also on the partnership working with the City"*. The partnership has appealed for exemptions to be retained for 'Registered Provider' homes in the same it is being retained for those with charitable status.

Hardship Fund

Do you think that the Council should set up a discretionary hardship fund?

- There was very strong support for a Hardship Fund (76% with only 13% against).

Scheme Administration

Do you agree with our view that the administration of the Council's scheme should be simplified where possible, without affecting claimant's rights?

- A very high proportion (88%) of respondents are in favour of Birmingham City Council simplifying the administration of its scheme.

A copy of the full report on the consultation results is embedded here:



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5. Amongst the identified groups in the previous question, what does your information tell you about the potential take-up of resulting services?

'Take-up' is not applicable as we already know who our current claimants are and their financial circumstances. We will not require them to make a new claim as we intend to migrate across, the claimants who have applied for CTB or are in receipt of CTB, prior to 1st April 2013.

Step 3 – Assessing Impact and Strengthening the Policy

6. What will be done to improve access to, and take-up of, or understanding of the policy, strategy, function or service?

NB: These are the measures you will take to mitigate against adverse impact.

Before considering the way to mitigate the adverse impact of our proposal, it is first necessary to set out what the impact of our draft scheme is likely to be on those groups with protected characteristics.

The impact of the draft scheme on those groups with protected characteristics

Following the consultation exercise the following points were made about the adverse impact that the draft scheme would have on all people and, in particular, people with protected characteristics.

In summary the following points were made:

- Anyone who was not entitled to full protection would have to pay 24% of their council tax and this would clearly adversely impact on anyone who was in receipt of welfare benefits because they already had a limited income. Moreover, certain groups of people would be particularly affected because of the changes being introduced by the Government's welfare reform proposals, i.e.
 - The benefit cap, which will particularly affect large families with children over the age of six.

- The reduction of housing benefits for tenants in the social rented sector who are currently under-occupying their homes.
 - Claimants under the age of 35 who occupy self-contained accommodation in the private rented sector.
 - To increase “out of work” benefits by only 1% rather than in line with inflation.
- Presently 24% amounts to:
 - £3.88 per week for a Band A property.
 - £4.52 per week for a Band B property.
 - £5.17 per week for a Band C property.
 - £5.82 per week for a Band D property.
 - £7.11 per week for a Band E property.
 - £8.41 per week for a Band F property.
 - £9.70 per week for a Band G property.
 - £11.64 per week for a Band H property.
- Claimants who qualified for the carer’s premium, i.e carers of adults who are severely disabled, ill or frail, would not qualify for the full protection and would have to pay 24% of their council tax liability. People from this group told us that given the reduction in benefit it may be unsustainable for them to continue to provide care. This may lead to a break down in caring relationships and a reduction in the choice and control of disabled adults about how they receive care and who they will receive care from. Concerns were also raised about the possibility that the Council will make cuts to services for disabled adults and carers and there was therefore already a pressure on their limited income. Accordingly, if they weren’t protected it may mean that they would have to return to work and would be unable to continue their caring responsibilities. This would not only adversely affect the vulnerable adults they were caring for, but could also increase the Council’s expenditure as it became responsible for their care.
 - Claimants in receipt of Employment Support Allowance would not qualify for the disability premium even if they were in receipt of disability living allowance, attendance allowance, severe disablement allowance or the disabled element of working tax credit. Accordingly, they would have to pay 24% towards their council tax liability.
 - Claimants with children over the age of six who were on low incomes or unemployed.
 - Claimants on low incomes and other benefits, such as Job Seekers Allowance, Employment Support Allowance and Income Support, expressed concern that they would have insufficient income to pay the 24% contribution.
 - Claimants with poor social skills and low level mental health issues, who do not qualify for full protection via the disability premium, would be particularly adversely affected as these people may also struggle to obtain employment. These people would be particularly affected by limiting the backdating of council tax support to one month because they were often unaware of their entitlement to benefits.
 - Claimants who had arrived recently in the UK or whose first language was not English would also be adversely affected by limiting the backdating of council tax support to one month because they were more likely to be unaware of their entitlement to council tax

support.

- No particular ethnic group will be disproportionately affected by the changes.

Empty Properties

Most people replying to the consultation agree that the empty and second homes discounts / exemptions should be removed. The changes are crucial as they ensure that the Council can protect the most vulnerable without requiring further cuts to other services.

However landlords across all tenure types have voiced their concerns over an increase in associated costs and the potential for decreased quality of services provided to their tenants. If we were to retain the current level of discounts / exemptions given to landlords in the City, the savings lost will mean greater pressures on existing Council services or an increase in Council Tax.

The current system of discounts / exemptions for empty properties will still apply where the provider is a registered charity, the owner or tenant has died, the former resident is in hospital, a home or in detention etc.

It would be inappropriate to apply an exemption for a specific group. Furthermore it is expected that landlords will build into their business plans an element to cover void properties.

Mitigation

As it was our intention to protect fully all people who are particularly vulnerable because of their disability (e.g. they are entitled to a benefit such as disability living allowance) it became apparent that both carers and recipients of ESA (who were also entitled to a disability living allowance or a similar benefit) should be protected fully under the scheme.

- It was clear, following the consultation responses that carers – entitled to the carer's premium – would be unable to continue caring without having 100% of their council tax liability paid for. In reality, the cost of hiring someone else to care for a disabled adult was likely to act as a deterrent to securing suitable employment. Accordingly, the draft scheme has been amended to include them as a class of person entitled to full protection. The money obtained from the empty homes premium will fund this change and ensure that cuts are not required from other service areas.
- Likewise, the draft scheme has been amended to include claimants who are entitled to employment support allowance and either disability living allowance, attendance allowance, severe disablement allowance and disabled element of working tax credit.

It has always been acknowledged that claimants receiving "out of work" benefits, such as Job Seekers Allowance, will be adversely affected and the impact of these changes can only be mitigated to an extent.

During consultation 34% of respondents thought the minimum payment for those not protected was too high and those already on low incomes would have insufficient income to pay the 24% contribution. Having reconsidered the proposal the City have reduced the required contribution from 24% to 20%. Whilst this will not reduce the number of people affected by the proposed scheme it will lessen the impact.

One of the purposes of the scheme is to deliver positive work incentives and reduce reliance on benefits. Providing 100% support to claimants who are able to work would defeat the aims of the scheme.

Accordingly, the best way to mitigate the changes for these people is to support these claimants to obtain employment and we are adopting measures to assist these people into work. The Council is working to address unemployment and improve skills in the City through the delivery of programmes such as the Employment Access Team, Birmingham Worklessness Co-design project and the Bridge Programme. These schemes provide customised employment support and training and work with employers to promote recruitment.

The Council is also working to influence employment support delivery and business enterprise within the City through DWP and SFA commissioned work programmes and through strategic joint working with the Greater Birmingham and Solihull Local Enterprise Partnership

Additionally, there will be a hardship fund of £1m that will provide support to any person entitled to a reduction in their council tax under this scheme where they are in genuine hardship. Hardship will be similarly defined as under the draft Universal Credit Regulations and support will be available where an applicant is unable to meet their essential needs i.e. food, hygiene and heating. Applicants in genuine hardship will also be entitled to apply for assistance under the Council's local welfare provision scheme of which there is a fund of £6.1m.

While both funds are limited, they will be monitored throughout the year to ensure that they are not extinguished before the end of the financial year ensuring that claimants' needs will be capable of being met throughout the year.

In relation to backdating, any adverse impact can be mitigated by ensuring that everyone is aware of their entitlement to support under this scheme. Therefore, as part of our equality action plan, the Council will take steps to advertise the scheme and engage with voluntary groups that represent the interests of claimants that are affected.

Step 4 – Procurement and Partnerships

7. Is this project due to be carried out wholly or partly by contractors?

Yes ☐

No ☒

If 'yes', have you done any work to include equality considerations into the contract already? Specifically you should set out how you will make sure that any partner you work with complies with equality legislation (employment practice/service provision)

The scheme will not be carried out by contractors.

Step 5 – Making a Decision

8. Summarise your findings and give an overview of whether the policy, strategy, function or service will meet the authority's responsibilities in relation to equality and support the council's strategic outcomes?

Having considered the consultation responses, the impact of the scheme and the way this impact can be mitigated, we remain of the view that the proposed scheme – as amended so as to protect carers, certain claimants entitled to Employment Support Allowance and reduce the minimum contribution to 20% – meets our original objectives of protecting the most vulnerable, to provide work incentives and ensuring that the scheme does not, wherever possible, cost more to administer than the allocation of funding provided by central Government.

Additionally, the revised contribution of 20%, when coupled with the protection of the hardship fund and the availability of local welfare provision and Discretionary Housing Payments, is not unaffordable for those that are capable of working.

During the consultation process we considered the following alternative options:

1) To adopt a new Scheme which would require everyone to contribute 8.5% towards their council tax liability or to require those claimants that would be required to pay 24% under the existing scheme to pay 8.5%. This was considered after the Government promised additional funding of £2.1m to the Council if a scheme was adopted which did not require contributions of more than 8.5%.

This was rejected, however, because if the Council were to reduce the proposed liability cap from 76% to 91.5% the Council would need to find an additional £2.4 million in 2013/2014 if it was to retain the protection for those 'people in greatest need of support. This would have to be met through a reduction in existing Council services or an increase in Council Tax.

As part of the Government's comprehensive spending review, the Council is already under great pressure to make financial savings. The combined impact of grant reduction and rising local costs means the Council will have to make cuts of over £600m by 2016/17. The immediate task for 2013/14 is to save around £110m in addition to the £275m saved in the previous two years.

A key local and Government objective is to support people back into work. This is imperative for the City and is reflected as such in the work programme. Birmingham now has a financial stake in ensuring any local Council Tax Support scheme administered supports this aim and helps to deliver positive work incentives and reduce long term reliance on benefit. The people most affected by the proposed changes will be those in receipt of out of work benefits, therefore those who are able to work and this scheme encourages them to do so. By funding any gap through council tax increases or cutting services would defeat the aims of this policy.

The Council has considered the offer of additional Government transitional grant funding but believes that this should be rejected, given that:

- This is only one off funding for 2013/2014 and would only defer the intended scheme for a period of 12 months.
- To obtain the transitional grant allocation of around £2.1 million, and still protect the groups referred to above in this document, the Council would have needed to invest an additional

£2.4 million of its own money. This would have contravened the principle that the scheme should be self-financing and sustainable and would have required either cuts to be made to other services or an increase in council tax.

- The effect of further cuts to Council Services or further increases in council tax to fund the Scheme would have a disproportionate effect on other taxpayers.
- The time and cost implications of a local referendum if a further Council Tax increase was implemented on top of the 1.64% already planned for.
- The deferral of the scheme for 12 months may not truly promote positive work incentives or support people back into work.

2) The Council also considered reducing the amount claimants were required to contribute from 20% to 15%. If the contribution was reduced the Council would have had to find additional savings from the overall budget in the sum of £1.77m. For the same reasons set out above, the Council has rejected this option.

3) The Council additionally considered allowing claimants to backdate their claims to between two and six months. The Council would have had to have found additional savings of between £315k and £856k.

This option was rejected because the Council wants to ensure that its Scheme is aligned with the rules governing the administration of universal credit and the Government proposes that backdating will be limited to one month. Moreover, by limiting backdating to one month it is envisaged that this will encourage claimants to be more responsible and organised with their own affairs and this is also an aim of universal credit. Moreover, the hardship fund will be available to mitigate against any genuine hardship that arises from not backdating beyond one month.

4) Another consideration was to increase council tax by 6.3%. This was rejected, however, because this would require a local referendum. There was insufficient time for one to be held in advance of 31 January 2013 when the scheme had to be adopted and it was far from clear that the referendum would be successful. More importantly, a general increase in council tax may reduce incentives for people to return to work and reduce the incomes of everyone else in Birmingham (and it would increase the amount of council tax which those claimants not in protected groups would need to pay from their own resources). It would also defeat our original objective of operating a scheme wherever possible within the allocation of central Government funding with a minimum contribution from the Birmingham City Council budget.

Decision Process

The final decision, as to whether to adopt the proposed Scheme, will be taken by a meeting of full council on 8 January 2013 where the contents of this EIA will be considered.

Step 6 – Monitoring, Evaluating and Reviewing

Before finalising your action plan you must identify how you will go about monitoring the policy/function or the proposals, following the assessment, and include any changes or proposals you are making.

9. What structures are in place to monitor and review the impact and effectiveness of the new policy, strategy, function or service?

Throughout the first year that this scheme is in place (2013/2014), council tax arrears, collection rates and customer feedback will be reviewed.

Step 7 – Action Plan

Any actions identified as an outcome of going through the Steps 1 – 6, should be mapped against the headings within the Action Plan.

NB: summarise/evidence actions taken to mitigate against adverse impact.

10. Taking into consideration the responses outlined in the Initial Screening Stage and Steps 1-6 of the Full Assessment, complete the action plan below.

	Ref (if appropriate)	Actions	Target date	Responsible post holder and directorate	Monitoring post holder and directorate (if appropriate)
Involvement and Consultation	01	Add monitoring questions to the consultation questionnaire.	July 2012	Sue Harley	
	02	Hold separate consultation meeting with 'People First Birmingham' as their service users may struggle to participate in standard consultation meetings.	September 2012	Michelle Jarrett	

Data Collection	01	From the consultation questionnaire, analyse the data on gender, age and ethnicity. This data will be compared against the caseload, in order for us to review if any groups are disproportionately affected.	December 2012	Lee Overton	
Assessing Impact	01	Review the key themes of the consultation results and identify impacted groups. Identify mitigations for how this impact can be lessened.	December 2012	CTS Project Team Senior Management Team	
Procurement and Partnership					
Monitoring, Evaluation and Reviewing					

Step 8 – Sign-Off

The final stage of the Equality Assessment process is to formally sign off the document as being a complete, rigorous and robust assessment

The policy, strategy or function has been fully assessed in relation to its potential effects on equality and all relevant concerns have been addressed.

Chairperson of Equality Assessment Task Group			
Name: Chris Gibbs	Job Title: Assistant Director of Revenues & Benefits	Directorate Resources	Sign-off Date: 19.12.2012
Concluding statement: Having considered the consultation responses and the potential equality impact of the scheme and the way this impact can be mitigated, we remain of the view that the proposed scheme – as amended so as to protect carers and certain claimants entitled to Employment Support Allowance – meets our original objectives of protecting the most vulnerable, to provide work incentives and ensuring that the scheme operates wherever possible within the allocation of central Government funding with a minimum contribution from the Birmingham City Council budget. Additionally, the revised contribution of 20%, when coupled with the protection of the hardship fund and the availability of local welfare provision and Discretionary Housing Payments, is not unaffordable for those that are capable of working.			
Quality Check and Review by the Directorate Contact Officer:			
Name:	Directorate Team:	Review Date:	
Summary of strengths and area(s) for improvement:			
Service Director or Senior Officer (sign-off)			
Name:	Job Title:	Date:	