

# Equality Impact Assessment Council Tax Reduction

## Appendix 1

### Stage 1: Initial screening

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|--|---|
| Lead Officer:  | Caroline Lee  |
| People involved in completing EIA:   | Caroline Lee<br>Yvette Maguire  |
| Is this the first time that this project, policy or proposal has had an EIA carried out on it? If no, please state date of original and append to this document for information. | No<br><br>An EIA on the 2013/14 scheme accompanied the scheme for approval to Council on 12 December 2013. An EIA has also been completed annually since that date. This EIA is for the scheme for 2020/21 onwards. |

### General Information

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| 1a | Which service does this project, policy, or proposal relate to? | This proposal relates to the Council Tax Reduction (CTR) scheme which is the responsibility of the Revenues and Benefits service within the Commissioning Directorate. The CTR scheme is administered by the Unity Partnership Ltd on behalf of the Council.   |
| 1b | What is the project, policy or proposal?                        | <p>The proposal is the approval of Oldham's CTR scheme for 2020/21 onwards.</p> <p>From 2013/14, all Local Authorities have been placed under a duty to agree a localised Council Tax Reduction (CTR) Scheme at a meeting of full Council for those of working age to replace the national Council Tax Benefit (CTB) scheme.</p> <p>The scheme was calculated to generate an amount of funding that when taken alongside the direct grant received and additional income from technical reforms made the scheme viable. The CTR element of this calculation works on the basis of a presumed collection rate (currently 80%)</p> <p>The Local Government Finance Act 2012 places a duty on the Council to consider whether to review this scheme on an annual basis. Any revised scheme for 2020/21 would need to be determined no later than 10 March 2020. For Oldham, this requires the Council to agree a revised 2020/21 scheme at the 26 February 2020 Budget Council Meeting.</p> |

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|    |   | <p>The Council changed its scheme in 2015/16 to increase the maximum reduction awardable from 80% of the Band A rate of Council Tax to 85%. The Council also changed its scheme in 2019/20 to apply earnings disregards to UC/CTR claimants</p>   |
| 1c | <p>What are the main aims of the project, policy or proposal?</p> | <p>There are three key aims of the proposals:</p> <ol style="list-style-type: none"> <li>1. To continue to use a scheme that is affordable.<br/>As at February 2020, 87% of claimants have made some payment towards their 2019/20 bills suggesting a CTR collection rate of approximately 80%. Weekly monitoring of the collection rate is being maintained to manage the risk of non-collection. One perceived risk is that claimants begin to find it harder to make payments due to the on-going impacts of the Government's welfare reforms. As available disposable income for claimants reduces to meet Council Tax and other bills, this could increase the risk of falling into arrears from those who are currently paying their Council Tax.</li> </ol> <p>The Authority has faced significant challenges in order to balance the budget for 2020/21. We are therefore once again looking to maintain a local scheme that is affordable and balances the impact of welfare reforms against the cost of providing a local CTR scheme.</p> <p>The Council is acutely aware that shortfalls in Council Tax collection mean creating a budget pressure that has the potential to require further savings to be made from within Council services.</p> <ol style="list-style-type: none"> <li>2. To continue to use a scheme that limits the financial impact across all Council Tax Reduction recipients.</li> </ol> <p>Central Government has protected pensioners from local cuts in the CTR scheme, and the cost of doing this needs to be aligned with the Council's need to protect vulnerable groups and provide incentives to work.</p> <p>Whilst not providing a specific definition for vulnerable groups, the Government did advise that Authorities should consider their duties under specific legislation when designing a scheme, namely:</p> <p>The Equality Act 2010<br/>Child Poverty Act 2010<br/>The Housing Act 1996</p> |

Whilst there is no legal duty to protect people on low incomes (this was revoked in December 2010), as a borough with a number of deprived areas, Oldham still chooses to continue considering the impact of any decisions on this group. This Council continues to consider people on low incomes as part of our equality impact assessment (EIA) process.

We have carried out research since 2013 into the scale of the impact of welfare reforms on Oldham and its people and EIAs have been completed each year.

The Council has made a commitment to seek national accreditation from the Living Wage Foundation with regard to adopting its National Living Wage over a three year timeframe, as confirmed in the paper approved by Cabinet on 28 January 2019.

Most recently on 20 March 2019 and 6 November 2019, reports submitted to full Council have set out the impact of welfare reforms and in particular the impact of the roll out of Universal Credit and the 4 year benefit freeze.

These findings are factored in when identifying those who are most vulnerable under the scheme.

3. To continue to maintain a scheme that will enable the Council to collect as much Council Tax as possible, whilst supporting residents to meet their payments.

Indications are that collection rates on the debt due for 2019/20 are approximately 80%. However, the impact of the roll out of the full service of Universal Credit which began on 26 April 2017 is still being felt across the borough and this could impact on CTR take up and outturn collection levels. The number of recipients of working age CTR has reduced from 16,206 when the scheme was agreed in December 2013 to 13,946 on 1 February 2020 and this could indicate that there is less overall requirement for financial support.

A Council Tax Collection Strategy was launched in 2018 aimed at encouraging early payment by engaging with residents more pro-actively, identifying vulnerable people early in the Council Tax recovery process and signposting to partners and stakeholders where wider support is needed. We have also signed the CAB debt protocol supporting ethical collection methods and have partnered with the debt charity StepChange to provide support. We have also started to use the Money Advice Service's recommended Standard Financial Statement

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|    |   | <p>(SFS) which standardises affordable repayment arrangements with residents.</p> <p>The Council introduced a 100% discount scheme for Care Leavers up to the age of 25 from April 2019 to support this group (previously the discount applied from April 2017 up to the age of 21).</p> <p>The Council introduced an Exceptional Hardship Payment scheme from April 2019 to support those residents who are experiencing exceptional financial hardship. This scheme can provide additional help beyond the CTR scheme to those facing major difficulties in paying their Council Tax.</p> |
| 1d | Who, potentially, could this project, policy or proposal have a detrimental effect on, or benefit, and how? | <p>The proposal for the 2020/21 scheme is to maintain the support provided through the existing 2019/20 CTR scheme. As no change is proposed, no further disproportionate detrimental impact on equality groups has been identified.</p> <p>The recommendation is:</p> <ol style="list-style-type: none"> <li>1) The continuation of the existing CTR scheme which limits support to a maximum of 85% of Council Tax of a Band A Property.</li> </ol>   |


| 1e. Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups? If so, is the impact positive or negative? |                                     |                                     |                          |                          |
|--|-------------------------------------|-------------------------------------|--------------------------|--------------------------|
|  | None                                | Positive                            | Negative                 | Not sure                 |
| Disabled people  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Particular ethnic groups   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Men or women<br>(include impacts due to pregnancy / maternity)   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| People of particular sexual orientation/s  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| People in a Marriage or Civil Partnership  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| People on low incomes  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| People in particular age groups  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Groups with particular faiths and beliefs  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

|  |  |                                     |                          |  |
|--|--|-------------------------------------|--------------------------|--|
| Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?                            |  |                                     |                          |  |
| <i>E.g. vulnerable residents, homeless people, individuals at risk of loneliness, carers or serving and ex-serving members of the armed forces</i> |  | <input checked="" type="checkbox"/> | <input type="checkbox"/> |  |

**If the answer is “negative” or “not sure” consider doing a full EIA**

|  |                                     |                          |
|--|-------------------------------------|--------------------------|
| 1f. What do you think that the overall NEGATIVE impact on groups and communities will be?<br><u>Please note that an example of none / minimal impact would be where there is no negative impact identified, or there will be no change to the service for any groups.</u><br>Wherever a negative impact has been identified you should consider completing the rest of the form. | <b>None / Minimal</b>               | <b>Significant</b>       |
|  | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

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| 1g | Using the screening and information in questions 1e and 1f, should a full assessment be carried out on the project, policy or proposal? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>   |
| 1h | How have you come to this decision?   | The proposal for the 2020/21 scheme is to maintain the support provided through the scheme or to increase the financial help available through the CTR scheme. On this basis it felt that there will be no disproportionate impact to those with protected characteristics as the scheme will remain unchanged from the 2019/20 scheme. |

|                                       |                       |   |
|---------------------------------------|-----------------------|---|
| <b>Stage 5: Signature</b>             |                       |  |
| <b>Lead Officer:</b>                  | <b>Yvette Maguire</b> | <b>Date: 12.2.2020</b>  |
| <b>Approver signature:</b>            | <b>Caroline Lee</b>   | <b>Date: 12.2.2020</b>  |
| <b>EIA review date: November 2020</b> |                       |   |

## Appendix (i) to EIA

Several actions have been identified in developing the 2020/21 scheme and are intended to mitigate the impact of CTR and wider welfare reforms. These are set out below:

| Activity  | Update   |
|---|--|
| Continue to promote existing flexible payments method   | <p>Through a range of difference communication channels</p> <p>External:-</p> <ul style="list-style-type: none"> <li>• Social media (Facebook and Twitter)</li> <li>• Website and web banner</li> <li>• Council Tax Bill and Reminder information</li> <li>• Direct debit take up exercise to coincide with annual billing</li> <li>• Media release</li> <li>• Promotion on Revenues and Benefits letters</li> <li>• Call waiting message</li> <li>• Residents Magazine</li> <li>• Early text reminder</li> </ul> <p>Internal Communications:-</p> <ul style="list-style-type: none"> <li>• Articles in Team Brief</li> <li>• Councillor and staff briefing</li> </ul> |
| Review effectiveness and take up of current payment methods and introduce new payment options where appropriate | <p>As at 7 February 2020, the collection rate for CTR customers was 75.76% as opposed to 76.87% at 8 February 2019.</p> <p>Residents can elect to pay Council Tax over a range of payment dates - 1<sup>st</sup>, 8<sup>th</sup>, 15<sup>th</sup> and 22<sup>nd</sup> of the month.</p> <p>Residents can pay online, by 24/7 telephone touchtone payments, at Post Offices and Payzone outlets</p> <p>A fortnightly direct debit was introduced in 2013 to help customers manage their finances.</p> <p>Residents can choose to spread direct debit payments over 12 months.</p>   |
| Continue to deliver energy switching campaigns and auctions   | <p>The Warm Homes Oldham service offers energy switching advice to residents in their homes. The service also offers heating and insulation upgrades, support with fuel debt and income maximisation, and other activities to reduce energy bills.</p>   |

| Activity   | Update   |
|--|--|
| Identify and establish referral arrangements to a wider range of support services        | <p>We refer to StepChange national debt charity when residents have wider debt issues than Council Tax.</p> <p>The Personal Budgeting Support team (PBS) support residents with money management and debt advice.</p>  |
| Further develop the Welfare Rights Service to support residents to maximise their income | <p>Oldham Council's Welfare Rights Service support residents to maximise their benefit entitlement and provide advocacy support to help residents appeal benefit decisions. The team delivers awareness sessions and outreach surgeries across the borough including at Health and Community Centres. The service works closely with public health to improve health and wellbeing and signpost residents to other services who can offer support such as Healthy Minds and social prescribing options.</p> <p>Other activities include:</p> <ul style="list-style-type: none"> <li>• Awareness raising of changes to benefit rules</li> <li>• Direct liaison with DWP link officers when resident vulnerability has been identified resulting in loss of financial support</li> <li>• Regular activity to publicise success stories</li> <li>• Increased social media efforts</li> <li>• Development of case studies to raise awareness of policy impacts of welfare reform changes</li> </ul> <p>The service has developed and produced 'Make The Most of your Money' packs, which are distributed at community events.</p> <p>The team has been successful this year, currently exceeding its income generation target for residents of £1million (as at 31 January 2020, the total was £2.6m including one off backdated awards of £540k).</p> |
| Work with partner organisations to provide targeted support to residents                 | <p>The Council signed the CAB debt protocol in 2018 supporting ethical collection methods. More support for integration was carried out in 2019 including management of the migration of Universal Support to the CAB from the Council and debtor engagement/mediation with CAB pre-committal action.</p> <p>The Council successfully bid in 2019 to work with the Children's Society to better co-ordinate crisis support across the community and voluntary sector, improving the way in which Local Welfare Provision funding is issued.</p>  |

| Activity   | Update   |
|--|--|
|  | <p>This is a 2.5 year project which will also generate £100k of funding for the borough. Work will begin on the various workstreams identified by the Children's Society in partnership with the Community and Voluntary Sector (CVS) and the Council in 2020.</p>   |
| <p>Continue to monitor the collection rates on a weekly basis</p>  | <p>This allows swift action to be taken if collection slows.</p> <p>Oldham has introduced SMS texting to remind people at an early opportunity (pre- statutory first reminder letter) to pay on time. It is anticipated that this will improve collection and result in higher conversion to payment by direct debit.</p> <p>The Council has introduced Automated Voice Messaging (AVM) to support collection activity and engagement with residents.</p>  |
| <p>Continue to monitor the wider impact of welfare reform ensuring effective partnership working continues to support those affected</p> <p>Identify and support those affected by the future changes to welfare reform, particularly the benefit cap and Universal Credit</p> | <ul style="list-style-type: none"> <li>• A Greater Manchester (GM) workshop was held in November 2018 to fully assess impacts of UC roll out on CTR and to consider potential changes to the GM schemes from 2020/21. The changes considered included: <ul style="list-style-type: none"> <li>○ Introducing a fixed income period for CTR UC claims - claims could be reassessed every three months or six months at a flat rate regardless of changes to the customer's income over that period. Extensive modelling will need to be carried out to determine the costs and benefits of implementing such as scheme and the impacts on CTR administration and the customer.</li> <li>○ Introducing a 'tolerance' within the scheme to allow for multiple changes. This would continue with the current CTR scheme but changes to entitlement which would increase or decrease entitlement below an agreed level would not affect the award of CTR. The Council would need to decide the level of tolerance to apply within its scheme</li> <li>○ Introduction of banded schemes. The current scheme could be replaced with one that creates a banded level of support across a wide income range. This would potentially create cliff edges in CTR awards which would need to be worked through.</li> </ul> </li> </ul> |



| Activity   | Update   |
|--|--|
|  | <p>For schemes under consideration from 2020 onwards, much more detailed work would be required to determine:</p> <ul style="list-style-type: none"> <li>• The optimum level of banded/tolerance in a new scheme</li> <li>• Impact on claimants</li> <li>• System functionality</li> <li>• Costs of scheme</li> <li>• Impact on collection</li> </ul> <p>Additional work has been carried out to compare the current “as is” approach to UC/CTR in work claims across Greater Manchester.</p>  |
| Get Oldham Working initiatives                                 | <p>The Council continues to encourage people into work Key achievements for Get Oldham Working between May 2013 and January 2020 have included:</p> <p>11,526 work related opportunities created.</p> <p>8,082 job opportunities created and 6,411 filled.</p> <p>1,563 apprenticeships created and 1,121 filled.</p> <p>350 traineeships created and 316 filled</p> <p>1,531 work experience placements created</p> <p>1,474 work experience placements filled</p> <p>The figures for 1 April 2019 to 31 January 2020 are:</p> <p>1,564 Job opportunities created of which 1,112 were filled.</p> <p>169 Apprenticeships created of which 126 were filled.</p> <p>28 Traineeships created with 25 filled</p> <p>209 Work experience places with 204 filled.</p> |
| Undertake an annual review of the Council Tax Reduction scheme | The scheme will continue to be reviewed on an annual basis in accordance with statutory requirements.  |

## Appendix (ii) to EIA

| No | Action  | Required outcomes  | By who?                                    | By when?                                       | Review date   |
|----|---|--|--|--|---------------|
| 1  | Continue to promote existing flexible payments method   | Increase collection rates<br>Increased take up of direct debit following text reminder exercise  | Revenues Manager                           | April 2019                                     | November 2020 |
| 2  | Review effectiveness and take up of current payment methods and introduce new payment options where appropriate | Increase collection rates<br>Review payment at Post Office and Payzone   | Client Revenues Manager (Exchequer Client) | Nov 2020                                       | July 2021     |
| 3  | Warm Homes Oldham to continue to provide support with energy bills and related issues                           | Strong links with Welfare Rights team and Personal budgeting support team to maximise support across the three teams   | Benefits and Welfare Rights Manager        | Integrated support in place from December 2018 | July 2020     |
| 4  | Identify and establish referral arrangements to a wider range of support services                               | Maximise access to support for residents through Welfare Rights and CT collection strategy<br>Includes<br>CAB<br>Step Change<br>Use of Standard Financial Statement  | Benefits and Welfare Rights Manager        | August 2020                                    | December 2020 |
| 5  | Further develop the Welfare Rights Service to support residents to maximise their income                        | Ensure the Council can provide help and assistance to those who experience difficulties thus linking support to outcomes from the Public Health Transformation Agenda.<br><br>Undertake benefit checks and refer residents for budgeting support and debt advice. Signpost to Making Every Contact Count (MECC) support including Healthy Minds and other agencies | Benefits and Welfare Rights Manager        | December 2020                                  | April 2021    |

## Appendix (ii) to EIA

| No | Action  | Required outcomes  | By who?                                    | By when?                            | Review date   |
|----|---|--|--|-------------------------------------|---------------|
| 6  | Continue to monitor the collection rates on a weekly basis  | Maximise collection rates and take swift action if collection slows<br>Implementation of Council Tax collection strategy aimed at encouraging early engagement   | Head of Revenues and Benefits              | On-going                            | December 2020 |
| 7  | Continue to monitor the wider impact of welfare reform ensuring effective partnership working continues to support those affected | Early identification of residents affected by Welfare Reform changes allows support to be put in place at the earliest point.<br>Advice and Information group liaison  | Benefits and Welfare Rights Manager        | April 2020                          | August 2020   |
| 8  | Identify and support those affected by the future changes to welfare reform, particularly Universal Credit                        | Early identification of residents affected by Welfare Reform changes allows support to be put in place at the earliest point<br>Membership of GM welfare rights group and GM Mental Health Welfare Rights advisors group                     | Benefits and Welfare Rights Manager        | February 2020                       | August 2020   |
| 9  | Review approach to debt collection by the Council   | Increase collection rate across all debts.<br>Agree more affordable payment arrangements with residents.<br>Implement Council Tax collection strategy actions (6 commitments focussed on early engagement/ Identification of vulnerability). | Client Revenues Manager (Exchequer Client) | On-going programme from August 2018 | December 2020 |

**Appendix (ii) to EIA**

| No | Action   | Required outcomes   | By who?  | By when?                    | Review date                       |
|----|--|---|--|-----------------------------|-----------------------------------|
| 10 | Link to Get Oldham working initiatives                                     | Reduced number of unemployed<br><br>Increase support for those in work through earnings disregards for UC claimants   | Head of Lifelong Learning, Employment and Skills Service | June 2020<br><br>April 2020 | September 2020<br><br>August 2020 |
| 11 | Annual review of the Council Tax Reduction scheme                          | Analyse data and carry out modelling activity on changes<br><br>Report to Council recommending any changes to the scheme.   | Head of Revenues and Benefits                            | June 2020                   | December 2020                     |
| 12 | Identify how the breadth and quality of the data collected can be improved | A stronger, more robust and comprehensive data base.<br>Introduction of Revenues software to support targeted debt collection approach taking into account needs of residents | Head of Revenues and Benefits                            | April 2020                  | December 2020                     |