

## Stage 1: Initial screening

Lead Officer:	Caroline Lee
People involved in completing EIA:	Caroline Lee Amanda Cawdron
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  EIAs have been completed annually since 2013. This EIA covers the proposed scheme for 2022/23

## General Information

1a	Which service does this project, policy, or proposal relate to?	The Council Tax Reduction Scheme.
1b	What is the project, policy or proposal?	<p>The approval of Oldham's CTR scheme for 2022/23.</p> <p>Since 2013, all Local Authorities have been placed under a duty to agree a localised Council Tax Support Scheme for those of working age at full Council. The scheme for those of pensionable age is determined nationally.</p> <p>The Local Government Finance Act 2012 obliges the Council to consider on an annual basis whether to review this scheme no later than 10 March prior to the start of a financial year. For Oldham for 2022/23, this means that the scheme must be considered at the 2 March 2022 Budget Council Meeting.</p> <p>The Council made a change to the Council Tax Reduction Scheme in 2015/16 increasing the maximum reduction awardable from 80% of the Band A rate of Council Tax to 85%.</p> <p>Following a public consultation exercise in Autumn 2018, the scheme was amended from April 2019 to introduce a range of changes to the scheme largely aimed at those CTR claimants who receive Universal Credit (UC). These included the application of some earnings disregards and treatment of information received from the Department for Work and Pensions (DWP) about UC as a claim for CTR. There were no changes to the CTR scheme for either 2020/21 or 2021/22 and none are proposed for 2022/23</p>

1c	What are the main aims of the project, policy or proposal?	<p>There are three key aims of the proposals:</p> <p><b>1. To continue to use a scheme that is affordable.</b>  By February 2022, 84.92% of claimants had made some payment towards their 2021/22 bills suggesting an outturn collection rate of 80%. Weekly monitoring of the collection rate is being maintained to manage the risk of non-collection.</p> <p>One perceived risk is that claimants, who have already been subject to Welfare Reform changes, begin to find it harder to make payments because of the financial impacts of the COVID 19 pandemic and the withdrawal of COVID related enhancements to the Welfare Benefits system such as the removal of the £20 Universal Credit (UC) uplift and the reinstatement of the minimum income floor for self- employed UC claimants in 2021. If the amount of disposable income available to meet Council Tax and other financial commitments reduces, this could have the impact of increasing the risk of arrears from those who are currently paying their Council Tax.</p> <p>The Authority faces significant challenges to balance the budget in 2022/23 and the impact on Council Tax collection of the pandemic during 2022/23 is uncertain. 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> <p><b>2. To continue to use a scheme that limits the financial impact across all Council Tax Reduction recipients.</b></p> <p>The protection for residents of pensionable age must be kept in place in line with the current national scheme, and the cost of doing this needs to be aligned with the 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:  The Equality Act 2010  Child Poverty Act 2010  The Housing Act 1996</p> <p>Whilst there is no legal duty to protect people on low incomes (this was revoked in December 2010), as a borough with several deprived areas, Oldham still</p>
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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 undertaken in-depth research into the scale of the impact of welfare reforms on Oldham and its people.

A report in January 2015 on the impact of welfare reform highlighted the following groups as particularly vulnerable:

- Single people and young single people in rented accommodation
- Younger people in general
- Older people with disabilities.

A report in August 2015 looking at the Government proposals for welfare and tax reform (now the 2016 Welfare Reform and Work Act) showed that those not in work, especially those with children as well as lone parents overall and families with only one earner would be the most heavily affected by the changes.

In January 2016, the Council looked in detail into one of the groups most affected by these reforms, namely those aged between 18-24.

In September 2016, the Council investigated the impact of welfare reform on the debt and finances of local people.

In March 2019, there was an investigation into the impact of welfare reform by the rollout of Universal Credit and the benefit freeze. Alongside the detrimental impacts of welfare reform and current economic policy it was found that in general for residents, incomes for low to middle income families were lower in real terms than they had been 15 years earlier. To mitigate this, the Council is planning to adopt the Living Wage Foundation National Living Wage during 2022/23.

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.**

Current projections for the annual collection rates for CTR cases due in 2021/22 suggest a collection rate of around 80%. This is a higher CTR collection rate to that recovered in 2020/21 due to the continuing recovery from the major social and economic impact of the Coronavirus (the 2020/21 collection rate was 77.76%).

The Council encourages 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 signed the Citizens Advice debt protocol supporting ethical collection methods and link with the debt charity StepChange to provide support to vulnerable residents. The Council uses the Money Advice Service's recommended Standard Financial Statement (SFS) which standardises affordable repayment arrangements with residents.

In 2020, the Council suspended reminder, summons, liability order and enforcement agent activity at the point of the first national lockdown in March until August 2020 to support those suffering the immediate impacts of the pandemic.

The Council allocated Hardship Funding of £3.015m to fund £150 hardship payments to CTR claimants of working age during 2020/21 and to ensure CTR claimants were not detrimentally affected by the change in Housing Benefit earning disregard regulations introduced under the Social Security (Coronavirus) (Further Measures) Regulations 2020 (SI 2020/371).

This protection is not in place in 2021/22. The Council has Exceptional Hardship Payment (EHP) funding to help residents in most need (the EHP scheme was introduced in 2018) and will continue to use this in 2022/23.

On 3 February 2022, in response to rising fuel prices, the Government announced a Council Tax Energy Rebate for 2022/23 of £150 for households in Council Tax Bands A–D. The Council will also be able to operate a discretionary fund for households in need who would not otherwise be eligible for the scheme. This could include those households on low

		<p>incomes who live in properties valued in Council Tax Bands E-H. Payments will be made outside of the Council Tax system.</p> <p>The Council launched its We Can Help campaign in December 2020 signposting emergency support to residents such as Local Welfare Provision, Free School Meals, Warm Homes, Discretionary Housing Payments and others. This campaign continues to be refreshed to include updated information and support available to residents.</p> <p>The Council has used Department for Work and Pensions (DWP) funding from the Winter Grant, Local Covid Support Grant and Household Support Grant schemes to support families with children and young people with food over the school holiday periods since Christmas 2020. Additional funding has also been allocated from the Winter Grant Fund in 2020/21 and the Household Support Grant (HSG) in 2021/22 for the Warm Homes scheme to fund fuel vouchers for those with prepayment meters and support a boiler repair/replacement service.</p> <p>In 2021/22, allocations from the HSG have also supported Homelessness Prevention Payments, the Local Welfare Provision Scheme, devices and data to tackle digital exclusion and distribution of emergency supplies administered by the Voluntary, Community, Faith and Social Enterprise (VCFSE) sector co-ordinated by Action Together.</p>
1d	Who, potentially, could this project, policy or proposal have a detrimental effect on, or benefit, and how?	<p>The proposal for the 2022/23 scheme is not to change the current support provided through the CTR scheme. On this basis there will be no disproportionate detrimental impact on the equality of groups from the proposal put forward.</p> <p>The recommendation is:</p> <ol style="list-style-type: none"> <li>1) The continuation of providing 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 (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>Vulnerable residents, 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? <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> Wherever a negative impact has been identified you should consider completing the rest of the form.	None / Minimal	Significant
		<input checked="" type="checkbox"/>

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"/>
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1h	How have you come to this decision?	The proposal for the 2022/23 scheme is to maintain the support provided through the scheme. An alternative option proposed was to reduce the financial help available through the CTR scheme. As the proposed approach is not to change the support via the CTR scheme, it is considered that there will be no disproportionate impact to those with protected characteristics.
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<b>Stage 5: Signature</b>		
<b>Lead Officer:</b>	<b>Amanda Cawdron</b>	<b>Date: 01.12.2021</b>
<b>Approver signature:</b>	<b>Caroline Lee</b>	<b>Date: 4.2.2022</b>
<b>EIA review date: November 2022</b>		

## What we know about those currently claiming Council Tax Reduction?

### Current Council Tax Reduction claimants

As of February 2022, the number of claimants was 21,886.  
78% of CTR claimants live in Band A properties.

### Potential impact on people of a particular age

The breakdown of claims by claimant type is as follows:

Type of Recipient	Number	%
Pensionable Age	6,829	31.20
Working Age - other	5,365	24.51
Working Age - UC	9,692	44.29
<b>Total</b>	<b>21,886</b>	<b>100.00</b>

This shows that those people of working age (69% of the entire claimant group) are adversely affected, particularly since there is a mandatory requirement to protect those of Pensionable Age

### Impact on those on low incomes

Universal Credit impacts on levels of CTR for working age households.

As of November 2021, there were 11,325 Universal Credit and Job Seekers Allowance claimants in Oldham (4,625 claimants more than in January 2020 due to the COVID economic shock). While Oldham continues to have the highest claimant rate in Greater Manchester, and higher than the England average, there is now a pattern of decrease which might, if continued, return to pre-Covid levels early in 2023. A return to pre-Covid levels is not expected until 2023 at the earliest, and this is reflected in the continued high demand for food bank support in Oldham.

### Impact on those with a disability

A total of 3,116 of working age claimants (20%) have a disability premium within their benefit calculation. Whilst this indicates that the individual is considered to have some form of disability, it does not tell us the nature or extent of the disability.

### Collection rates

Collection rates are improving when compared with the same period in 2020/21 but are still lower than pre-pandemic levels.

	31 Jan. 2022	31 Jan. 2021	31 Jan. 2020
<b>Council Tax Collection</b>	89.94%	88.72%	90.12%



## Recovery Activity

There are 6,553 households in receipt of CTR where accounts are now subject to recovery action, a significant increase in comparison with 2020/21 where 1,644 accounts were in recovery. The reason for the increase is largely because of the suspension of recovery activity in 2020 and the low number of dates made available to the Council by the Magistrates Court to secure debts via Liability Orders.

The Tables below shows those accounts broken down by property band.

### 2019/20

Band	A	B	C	D	E	F	G	H	Total
Number	2,803	288	126	51	8	1	2	0	3,279

### 2020/21

Band	A	B	C	D	E	F	G	H	Total
Number	1,113	286	178	50	13	3	1	0	1,644

### 2021/22

Band	A	B	C	D	E	F	G	H	Total
Number	5,514	621	333	63	16	5	1	0	6,553

## Other financial impacts

- Indices of Deprivation 2019: 19<sup>th</sup> Most deprived Local Authority
- Child Poverty
  - Relative Poverty: 37.7% in 2019/20, (28.8% 2014/15). 2<sup>nd</sup> highest Local Authority.
  - Absolute Poverty: 31.6% (28.5% 2014/15), 3<sup>rd</sup> highest nationally
  - Coldhurst 66.8% relative poverty (highest ward nationally), Saddleworth South 8% (caution is urged over ward figures, however the inequality is clear)
- Life Expectancy at birth (2018-20 unless stated)
  - Males 2.2 years behind England, Females 2.6 years
  - Males 3.3 years behind females
  - Males 12.0 year ward gap, females 12.9 years (best to worst) (2015-19 Public Health England Local Health)

## Appendix (i) to EIA

Several actions identified in developing the 2021/22 scheme were intended to mitigate the impact of CTR and the wider context of the COVID-19 pandemic and long- term impact of the welfare reform agenda. These are:

<b>Activity</b>	<b>Update</b>
Continue to promote existing flexible payments method	<p>Through a range of difference communication channels</p> <ul style="list-style-type: none"> <li>• Social media (Facebook and Twitter)</li> <li>• My Account</li> <li>• Website</li> <li>• Council Tax information</li> <li>• Promotion on revenues and benefits letters</li> <li>• Call waiting message</li> <li>• Early text reminder</li> <li>• On the Annual bill envelopes</li> </ul>
Review effectiveness and take up of current payment methods and introduce new payment options where appropriate	<p>Residents can elect to pay Council Tax over a range of payment dates 1st, 8th, 15th and 24th of the month and over 10 or 12 months</p> <p>Residents can pay online, by 24/7 telephone touchtone payments, at Post Offices and Payzone outlets</p>
Continue to deliver energy advice and assistance	<p>The Warm Homes Oldham service offers energy advice and assistance to residents. The service also offers heating and insulation upgrades, support with fuel debt and income maximisation, and other activities to reduce energy bills. Additional funding has been added to the Warm Homes programme since December 2020 to fund fuel vouchers for those with pre-payment meters and to support a boiler repair / replacement service.</p>
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 Helpline was introduced in 2020, triaging support to a wide range of Council services and advice to support those in emergency need and those impacted by COVID.</p>
Support & Inclusion Team to provide support and assistance to those in crisis and to support residents to improve their financial position.	<p>Introduced in April 2021, the Support and Inclusion team accepts referrals from Council colleagues and third-party referrers of residents who have Council Tax in year arrears and/or previous year debt. Providing budgeting support to assist with money management and debt prevention.</p>

Activity	Update
<p>Welfare Rights Service to continue to support residents to maximise their income through welfare benefits.</p>	<p>Throughout 2021/22, the Welfare Rights Service has continued to support residents and have been proactive in supporting partnership working with VCFSE and in supporting the Children's Society with crisis support projects.</p> <p>The 3 objectives of the service are to:</p> <ol style="list-style-type: none"> <li>1. Increase uptake of welfare benefits and raise awareness of the Welfare Rights Service</li> <li>2. Help tackle poverty and improve health and wellbeing amongst the most vulnerable groups.</li> <li>3. Support service provision at a local level by attending multi agency and case reviews across district hubs.</li> </ol> <p>As at the end of January 2022, the team has generated additional income for the residents of Oldham of over £1.451 million.</p>
<p>Continue to monitor the collection rates on a weekly basis</p>	<p>This allows the focus on recovery to be targeted to the relevant action if collection rates are falling.</p> <p>Oldham has an SMS texting service to remind people at an early opportunity (pre- first reminder) to avoid the issuing of a paper reminder. This early intervention has reduced the need for a paper reminder to be issued by almost 40%.</p>
<p>Get Oldham Working initiatives</p>	<p>The Council continues to encourage people into work. Key achievements for Get Oldham Working between March 2013 and December 2021 have included:</p> <ul style="list-style-type: none"> <li>14,135 work related opportunities created.</li> <li>10,304 job opportunities created and 7,944 filled.</li> <li>1,866 apprenticeships created and 1,222 filled.</li> <li>363 traineeships created and 318 filled.</li> <li>1,557 work experience placements created and 1,502 filled.</li> </ul>

## Appendix (ii) to EIA

No.	Action	Required outcomes	By whom	Review date
1	Continue to promote existing flexible payments method	Increase collection rates Promote direct debit at annual billing	Revenues and Benefits Manager	March 2023
2	Warm Homes Oldham to continue to provide support with energy bills and related issues	Additional funding using DWP Household Support Fund to support the delivery of fuel vouchers for those with pre-payment meters and a boiler repair / replacement service to tackle fuel poverty (with a stretch target of 1,050 households).	Housing Development and Contracts Manager	April 2022
3	Identify and establish referral arrangements to a wider range of support services	Maximise access to support for residents through the Helpline, Support and Inclusion team, Welfare Rights team.	Housing Benefits, Support Inclusion and Blue Badge Manager  Revenues Manager (Unity)  Benefits and Welfare Rights Manager	April 2023
4	Maximise support to residents in debt with Council Tax that are referred to the Support and Inclusion Team	Ensure the Council can provide help and assistance to those who experience difficulties thus linking support to outcomes from the Public Health Transformation Agenda.  Undertake benefit checks and refer residents for budgeting support and debt advice. Signpost to Make Every Contact Count (MECC) support – Healthy Minds etc	Support & Inclusion Team Manager	August 2022
6	Continue to monitor the collection rates on a weekly basis	Maximise collection rates and target recovery action if collection slows	Unity Revenues Manager	December 2022
7	Identify and support those affected by the future changes to welfare benefits.	Work with partners at a local level supporting place-based working initiative and provide a strength-based provision that allows support to be put in place at the earliest point.	Benefits and Welfare Rights Manager	August 2022

		Proactive membership of GM welfare rights group and GM Mental Health Welfare Rights advisors group for knowledge share.		
8	Review approach to debt collection by the Council	<p>Increase collection rate across all debts.</p> <p>Agree more affordable payment arrangements with residents.</p> <p>Focus on early engagement/ identification of vulnerability/impact of the pandemic on collection. Debt recovery officers are now working with the Support and Inclusion Team to assist people in severe financial hardship where cases are identified.</p> <p>Breathing Space was introduced in May 21 and all qualifying cases are held for 60 days to allow the insolvency service to identify a debt resolution.</p> <p>Increased use of Exceptional Hardship Funding to support those in most need</p>	Unity Revenues Manager	December 2022
9	Link to Get Oldham Working initiatives	Reduced number of unemployed	Head of Lifelong Learning, Employment and Skills Service	April 2022
10	Undertake an annual review of the Council Tax Reduction scheme	<p>The scheme is reviewed considering information gathered from the performance indicators and welfare context.</p> <p>Recommendations for any changes are put to Council.</p> <p>Report to Council recommending any changes to the scheme.</p>	Head of Revenues and Benefits	<p>September to December 2022</p> <p>February/ March 2023</p>