

## EQUALITY IMPACT ASSESSMENT (EIA)



<b>Title of EIA</b>		<b>Council Tax Support Scheme 2024/2025</b>	
<b>EIA Authors</b>	Name	<b>K Gist</b>	<b>L Sharma</b>
	Position	<b>Benefits Manager</b>	<b>Benefits Subsidy &amp; Policy Lead</b>
	Date of completion	<b>08/09/2023 Updated 08/02/24</b>	<b>08/09/2023</b>
<b>Head of Service</b>	Name	<b>B Strain</b>	
	Position	<b>Head of Revenues and Benefits</b>	
<b>Cabinet Member</b>	Name	<b>Cllr R Brown</b>	
	Portfolio	<b>Strategic Finance and Resources</b>	

<b>EIA</b>	<ul style="list-style-type: none"> <li>• Having identified an EIA is required, ensure that the EIA form is completed as early as possible.</li> <li>• Any advice or guidance can be obtained by contacting Jaspal Mann (Equalities), Mamta Kumar (Equalities), Alicia Philips (Health Inequalities), Lisa Young (Health Inequalities), Emily Stewart (Health Inequalities), Laura Waller (Digital Inclusion).</li> </ul>
<b>Sign Off</b>	<ul style="list-style-type: none"> <li>• Brief the relevant Head of Service/Director/Elected Member for sign off</li> <li>• Have the EIA Form ready for consultation if it is required</li> <li>• Amend according to consultation feedback and brief decision makers of any changes</li> </ul>
<b>Action</b>	<ul style="list-style-type: none"> <li>• Implement project / changes or finalise policy/strategy/contract</li> <li>• Monitor equalities impact and mitigations as evidence of duty of care</li> </ul>

**PLEASE REFER TO [EIA GUIDANCE](#) FOR ADVICE ON COMPLETING THIS FORM**

### SECTION 1 – Context & Background

**1.1 Please tick one of the following options:**

This EIA is being carried out on:

- New policy / strategy
- New service
- Review of policy / strategy
- Review of service
- Commissioning
- Other project (*please give details*)



### 1.2 In summary, what is the background to this EIA?

Council Tax Support (CTS) is a means tested assessment to support low-income households with the cost of council tax payments. In 2013, design of the CTS scheme for working age households was devolved to Local Authorities and funding from central government was reduced by 10 per cent.

Budgetary challenges faced by the Council for 2024/25 require the Council to review the potential option to reduce the amount provided through the CTS scheme for working age households.

The change to the CTS scheme is a combined three-change proposal. The proposal would take effect from 1 April 2024.

Note: CTS scheme for people of pension age households is set in law by the Government. Therefore, this document only refers to scheme changes in respect of working age households.

#### **Change 1 of proposal: Reduction of maximum support**

In Coventry the current maximum support for working age households is 85%.

If the current scheme continues in 2024/25, Coventry expects to award approximately £28.4 million in council tax support to 25,000 households. Approximately £18.1 million relates to working age claims and £10.3 million to pension age.

However, in setting the CTS scheme for 2024/25, the council is managing the competing tasks of balancing the budget, alongside supporting low-income households. Lowering the maximum support would provide the Council savings towards the gap in its budget.

- Therefore, the proposal is to reduce maximum CTS entitlement from 85% to 75%.

#### **Change 2 of proposal: Introduce income banded scheme**

Around 30% of CTS schemes in England are now income banded. An income banded scheme means that the amount of CTS a household would receive will depend on which band their income falls into.

The proposal would award CTS based upon the household's "excess income" rather than total income. Excess income is calculated by comparing the total household income against the "applicable amount". The applicable amount is the amount of money the Government says a household requires to meet their basic needs.

This means the applicable amount will vary depending on age, family size and any specific circumstances, such as whether someone in the household is disabled or a carer.

By using excess income rather than total income, income required for specific circumstances is considered which means the most vulnerable households are not disproportionately affected by an income banded scheme.



The CTS awarded will not change if a household's excess income remains within that band.

An income banded scheme could therefore be easier for households to understand, confirm how much support they will receive and therefore manage their budgets accordingly.

- Therefore, the proposal is to introduce an income banded scheme, as shown in table 1. Table 1 also indicates the likely impact identified from initial modelling, although their protected characteristics are not known.

**Table 1: proposed income bands and likely impact**

Band	Weekly excess income threshold	CTS award (% of council tax bill)	Number of households
1	£0 to £15	75%	15,722
2	£15 to £40	65%	280
3	£40 to £70	40%	519
4	£70 to £80	20%	178
5	£80 and more	0%	459

### **Change 3 of proposal: Changes to income disregard**

When a customer or their partner are working, a standard earnings disregard is applied which reduces the income used in the CTS calculation. Under the current CTS scheme a further earnings disregard known as Additional Earnings Disregard of £17.10 can also be applied which further reduces the income used in the CTS calculation.

An Additional Earnings Disregard will be applied if members of the household work on average 16 or 30 hours per week, depending on their circumstances. However, modern work patterns such as zero-hour contracts and fixed-term contracts mean Additional Earnings Disregards frequently have to be added or removed, which affects CTS calculations. This means households can receive multiple revised council tax bills in a year, which makes it more challenging for people to manage their household budgets.

Under the proposal the Additional Earnings Disregard will be removed. To compensate for this, the standard earnings disregards will be increased. The amounts proposed are shown in the final columns in Tables 2 and 3.

**Table 2: Eligible households currently receiving the standard earnings disregard and Additional Earnings Disregard**

Circumstance	Current weekly standard earnings disregard (a)	Current weekly Additional Earnings Disregard (b)	Total current weekly income disregard (a + b)	Proposed new total weekly standard earnings disregard
Single	£5	£17.10	£22.10	<b>£8</b>
Couple	£10	£17.10	£27.10	<b>£17</b>
Disabled / Carer	£20	£17.10	£37.10	<b>£33</b>
Lone parent	£25	£17.10	£42.10	<b>£41</b>

**Table 3: Households currently receiving only the standard earnings disregard**

Circumstance	Current weekly amount	Proposed new weekly amount
Single	£5	<b>£8</b>
Couple	£10	<b>£17</b>
Disabled / Carer	£20	<b>£33</b>
Lone parent	£25	<b>£41</b>

Note: anyone currently eligible for the Additional Earnings Disregard of £17.10, will no longer receive it. If working, the household will only receive the proposed standard earnings disregard.

The change to income disregard is proposed to be cost neutral (no saving and no extra spend) to the CTS scheme.

- Therefore, the proposal is to remove the Additional Earnings Disregard and to increase the standard earnings disregards, which are not based on the number of hours worked.

**Summary of likely impact of proposed changes**

From initial modelling undertaken for the combined three proposed changes to the Council Tax Support scheme, the following are some key impacts which have been identified:

- These changes will provide £2.16 million towards the gap in the Council’s budget.
- As maximum support will be reduced from 85% to 75%, the majority of households will have a reduction in support, regardless of protected characteristics.
- All working age households will be affected regardless of any protected characteristics. The combined impact of the three proposals is specific to the household circumstance, so some households will have increased support, but the majority will have decreased support, as shown by Table 4.



**Table 4: shows the combined impact of the proposals to change the CTS scheme**

Impact of proposed CTS changes	Total
Number of decreased claims	16,362
Average weekly CTS decrease	£2.62
Number of increased claims	754
Average weekly CTS increase	£1.88

## Mitigations for protected characteristics

### Age – child under 17

- Benefits Service will actively identify households in which members are entitled to Free School Meals.
- Considerations have been given whether to change the following, but remain in place:
  - Households with dependants will continue to have Child Benefit, Child Maintenance and Childcare payments (at capped amount) disregarded in calculation of CTS.
  - Two-child limit is not being proposed, so number of dependants in calculation of a household's CTS will not be limited.

### Disability

- Considerations have been given whether to change the following, but remain in place:
  - Disability-related applicable amounts and premiums remain unchanged.

### All protected groups

- Benefits Service will actively identify households who are not maximising welfare support.
- The income banded scheme is proposed to be based upon excess income, which is calculated by comparing the total household income against household requirements. This means the most vulnerable households are not disproportionately affected by a banded scheme.
- The income banded scheme means the CTS award will not change if their excess income remains within that band, which will enable households to manage their budgets accordingly.
- Council tax department will aim to put in place individual council tax payment plans for any household who contacts early to explain they are experiencing payment difficulties.
- Council tax department will not apply court costs for anyone receiving CTS that is summonsed for non-payment of council tax.
- CTS information is available from the Council through various channels, such as:
  - Customer service centre, which is open 9am to 5pm Monday to Friday.
  - Online chat function, when officers are available.
  - Email to the Benefits Service, which is available 24/7.
  - Register for an online account, providing access to their CTS award and council tax bill, which is available 24/7.
  - Council website, which is available 24/7.



### Public Engagement

Coventry City Council will undertake a public consultation on the proposals to the Council Tax Support scheme. The results of this will be used to inform decisions about the proposed model.

A variety of methods will be used to ensure the consultation is accessible to all Coventry residents. Methods will include:

- a mailshot to all working age households currently in receipt of Council Tax Support
- phone support, as alternative method of engagement
- information in an alternative language, if requested
- information through a Let's Talk page on the Council's website
- feedback through a survey
- drop-in sessions and stakeholder meetings.

This is not an exhaustive list.

### 1.3 List of organisations and people who are involved in this area of work

- Coventry residents
- Benefits Service
- Financial Management
- Legal Services
- Council Tax collection and enforcement teams
- Public Health Insight team
- Advice agencies and third sector organisations
- Social landlords
- Precepting authorities
- Policy in Practice
- Airey Consultancy Service Ltd

## SECTION 2 – Consideration of Impact

*Refer to guidance note for more detailed advice on completing this section.*

In order to ensure that we do not discriminate in the way our activities are designed, developed and delivered, we must look at our duty to:

- Eliminate discrimination, harassment, victimisation and any other conflict that is prohibited by the Equality Act 2010



- Advance equality of opportunity between two persons who share a relevant protected characteristic and those who do not
- Foster good relations between persons who share a relevant protected characteristic and those who do not

### 2.1 Baseline data and information

- Please include an analysis of the equalities data your service holds. This could include surveys, complaints, compliments, management information and customer profiles. *(Please refer to Diversity Guide)*
- Where possible compare your data to local data using
  - Facts about Coventry
  - Census 2011
  - Census 2021
  - JSNA

In Coventry, Council Tax Support is currently awarded to approximately 17,000 working age households (aged 18 to 65).

Of this, approximately:

32% of households have children (aged 0 to 17).

33% of households have a disabled household member.

18% of households are formed as a couple (either married, civil partnership or living together as partners).

62% of Council Tax Support is awarded to females and 38% is awarded to males.

Of the Council Tax Support awarded to single people and lone parents, 67% is awarded to females and 33% is awarded to males.

For the purposes of Council Tax Support, data is not routinely collected the following equality groups:

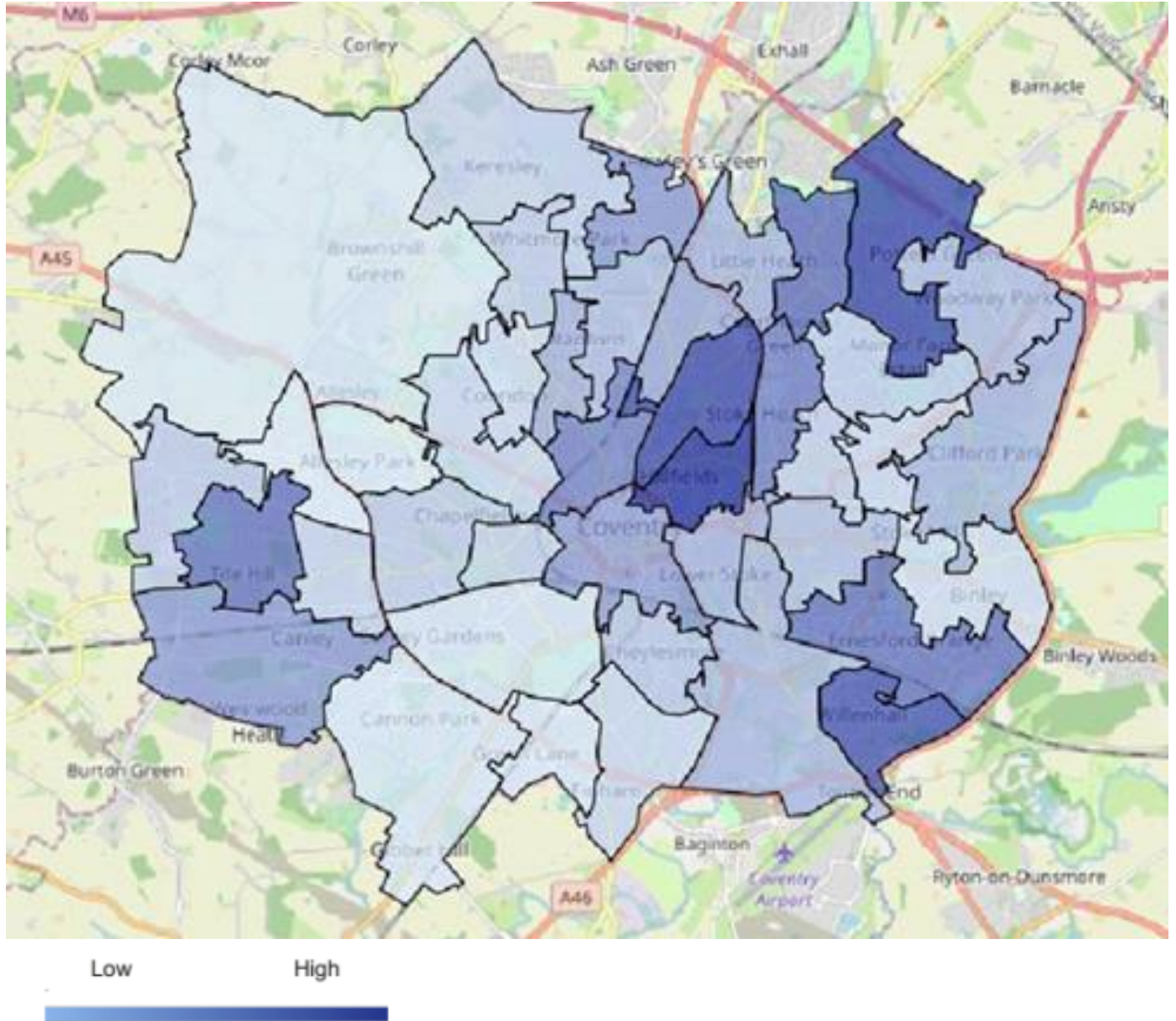
- Gender reassignment
- Pregnancy or maternity
- Race
- Religion and Belief
- Sexual orientation



## EQUALITY IMPACT ASSESSMENT (EIA)



**Map 1: shows the Index of Multiple Deprivation for recipients in Coventry, by postcode**



Map 1 shows which areas of Coventry will be most affected by the proposed changes to CTS scheme. The greatest impact will be in the following areas:

- Hillfields
- Stoke Heath
- Potters Green
- Willenhall
- Tile Hill



## EQUALITY IMPACT ASSESSMENT (EIA)



### 2.2 On the basis of evidence, complete the table below to show what the potential impact is for each of the protected groups.

- Positive impact (P),
- Negative impact (N)
- Both positive and negative impacts (PN)
- No impact (NI)

*\*Any impact on the Council workforce should be included under question 5.0 – not below*

Protected Characteristic	Impact type P, N, PN, NI	Nature of impact and any mitigations required
Age 0-17	P, N	<p>As covered in section 1.2, Table 4 shows 754 households will receive increased support. However, their protected characteristics are not known.</p> <p>As shown in section 2.1, nearly 1/3<sup>rd</sup> of the CTS households have dependant members in this age group. So, this group would be impacted through the CTS claim typically made by their parents.</p> <p>The proposed changes will affect all households, including where there is a lone parent or couple with children, through either reduced CTS or no further CTS award.</p> <p>- For mitigations, see section 1.2</p>
Age 18-65	P, N	<p>Working age CTS customers are typically aged between 18 and 65, so this group will be directly impacted by the proposed changes.</p> <p>As covered in section 1.2, Table 4 shows 754 households will receive increased support. However, their protected characteristics are not known.</p> <p>Table 4 also shows that 16,362 households will receive reduced support and initial modelling results indicate 459 households will lose all CTS support.</p> <p>However, the protected characteristics for those receiving increased, decreased or no further support are not known.</p> <p>- For mitigations, see section 1.2</p>

## EQUALITY IMPACT ASSESSMENT (EIA)



Age 66 and over	<b>NI</b>	Pension age customers are those aged 66 or over. The rules governing CTS for people of pension age households are prescribed nationally by the Government, so will not be affected by the proposed change to the CTS scheme.
Disability	<b>P, N</b>	<p>As covered in section 1.2, Table 4 shows 754 households will receive increased support. However, their protected characteristics are not known.</p> <p>As shown in section 2.1, in Coventry, 1/3<sup>rd</sup> of CTS support is to households who have a disabled member.</p> <p>Therefore, the proposed changes, are likely to impact people in this group through none or reduced CTS.</p> <p>- For mitigations, see section 1.2</p>
Gender reassignment	<b>NI</b>	This data is not routinely collected for CTS purposes. It is not considered that the change in CTS scheme will impact on people according to their gender reassignment.
Marriage and Civil Partnership	<b>P, N</b>	<p>As covered in section 1.2, Table 4 shows 754 households will receive increased support. However, their protected characteristics are not known.</p> <p>Data for marriage and civil partnership is not routinely collected for CTS purposes.</p> <p>However, for CTS it is relevant whether the household consists of a couple or single person. A couple is where people are living together as partners, regardless of whether they are married, in a civil partnership or not entered a marriage/civil partnership.</p> <p>Households who are couples with children, will potentially be impacted to a greater extent through either reduced CTS or no further CTS award.</p> <p>- For mitigations, see section 1.2</p>

## EQUALITY IMPACT ASSESSMENT (EIA)



Pregnancy and maternity	<b>P, N</b>	<p>As covered in section 1.2, Table 4 shows 754 households will receive increased support. However, their protected characteristics are not known.</p> <p>Data by pregnancy and maternity is not routinely collected unless the Benefits Service is specifically notified, so firm conclusions in relation to equality impact cannot be drawn.</p> <p>Females who are pregnant or on maternity leave may be more likely to seek support through the CTS scheme due to low income, but there is no data to confirm this.</p>
Race (Including: colour, nationality, citizenship ethnic or national origins)	<b>NI</b>	<p>This data is not routinely collected for CTS purposes. It is not considered that the change in CTS scheme will impact on people according to their race.</p>
Religion and belief	<b>NI</b>	<p>This data is not routinely collected for CTS purposes. It is not considered that the change in CTS scheme will impact on people according to their religion or belief.</p>
Sex	<b>P, N</b>	<p>As covered in section 1.2, Table 4 shows 754 households will receive increased support. However, their protected characteristics are not known.</p> <p>As shown in section 2.1, in Coventry, around 2/3<sup>rd</sup> of CTS support is to females and exactly 2/3<sup>rd</sup> of support to single or lone parent households are female.</p> <p>The maximum support for all low-income households will be reduced, which means females will be impacted to a greater extent.</p> <p>Also, research evidence regarding gender and poverty indicates females are more likely to be living in financial hardship than males. Therefore, the proposed changes are likely to further exacerbate that hardship.</p> <p>- For mitigations, see section 1.2</p>
Sexual orientation	<b>NI</b>	<p>This data is not routinely collected for CTS purposes. It is not considered that the change in CTS scheme will impact on people according to their sexual orientation.</p>

## EQUALITY IMPACT ASSESSMENT (EIA)



### SECTION 3 – HEALTH INEQUALITIES - See the health inequalities pre EIA guidance sheet for this section.

<b>3</b>	<b>Further information on health inequalities is available on the Intranet</b>
<b>3.1 Please tell us how the proposal you are submitting this EIA form will reduce health inequalities:</b> <i>Please include which Marmot Principles this work covers.</i>	
<p>Coventry is a Marmot City. The proposal to change the Council Tax Support scheme is based upon using Proportionate Universalism. This ensures that the Council will allocate its resources across the social gradient, proportionate to people's needs.</p> <ul style="list-style-type: none"><li>• Council Tax Support scheme primarily supports the Marmot principle:<ul style="list-style-type: none"><li>- Ensure a healthy standard of living for all</li></ul></li> <li>• Council Tax Support scheme also supports the Marmot principles:<ul style="list-style-type: none"><li>- Enable all children, young people, and adults to maximise their capabilities and have control over their lives</li><li>- Create fair employment and good work for all</li></ul></li></ul>	
<b>3.2 What information do you have to show you are going to reduce health inequalities:</b>	
<p>The Council, like many households, is seeing significant increases in expenditure as a result of rising prices. So far, the money the Council receives from Government and through council tax and business rates, has not increased in line with the increasing cost of providing services. The result is that in 2024/25, the Council's spending is now forecast to exceed its income by over £30m. The Council must, by law, set a balanced budget each year which means the amount planned to spend cannot be more than the income expected to receive. We are therefore looking at a number of ways that we could reduce Council spending, or increase income, to ensure that we are able to continue providing our most essential services. One of the options is to increase the amount of council tax income the Council receives by reducing the maximum amount of CTS provided to working age households.</p> <p>Modelling data for CTS claims based upon the proposal, shows the changes will provide £2.16 million towards the gap in the Council's budget, which will help in setting the above budget and allocation of services and resources.</p> <p>The outcomes are likely to be:</p> <ul style="list-style-type: none"><li>- fewer in-year CTS changes due to introduction of income banded scheme and the changes to income disregards. If a household is aware of how much CTS award they are due, they are in a better position to manage their household budget accordingly.</li><li>- an income banded scheme based upon excess income, as covered in section 1.2. By using excess income rather than total income, this means that income required for specific circumstances is</li></ul>	



considered and the most vulnerable households are not disproportionately affected by an income banded scheme.

- changing the income disregard will mean everyone who is in employment or self-employment will be given the increased earnings disregard because it will no longer be limited to those people who are only working the relevant number of hours week-to-week.
- households facing financial hardship who may be adversely impacted by these changes, will be supported if they make early contact with the Council Tax department. The Council will aim to provide households with the right support and agree where possible, affordable payment plans.

### **3.3 Who/which groups of people might face the biggest health inequalities for your work and why:**

Residents in Coventry who are in receipt of Council Tax Support are those groups of people who are more likely to be impacted by the proposed changes.

The Council Tax Support scheme aims to support low-income households and those groups who are known to face the biggest health inequalities.

This is shown by the data for Coventry in section 2.1 – see Map 1.

### **3.4. What can be done to improve health equity for the groups of people you have identified?**

Using proportionate universalism in calculating CTS award, the level of excess income will identify which households need the most financial support.

We will ensure a One Coventry approach by working with our partners to ensure information and support is available for those groups facing the biggest health inequalities and to support households to engage in the public consultation.

The Benefits Service will actively identify households:

- in which members are entitled to Free School Meals
- who are not maximising welfare support

Council tax department will aim to put in place individual council tax payment plans for any household who contacts early to explain they are experiencing payment difficulties.

Any information which identifies those groups disproportionately impacted by the CTS change who are known to face health inequalities, will be used to inform decisions as part of ongoing service development.



## SECTION 4 - DIGITAL EXCLUSION INEQUALITIES

Please consider the digital exclusion information in the supporting document prior to completing this section.

### 4.1 Starting point:

Thinking of the main aims of your work area that this EIA is for; does your work area impact digital inequalities or exacerbate? No

- Does your work assume service users have digital access and skills?  
No, CTS processes remain the same as they currently are.
- Do outcomes vary across groups, for example digitally excluded people benefit the least compared to those who have digital skills and access?  
Yes. Low household income is an indicator for digital exclusion. Reduced Council Tax Support for low income households may impact digital access, as this might make connectivity unaffordable.
- Consider what the unintended consequences of your work might be.  
The CTS processes remain the same as they currently are.

### 4.2 4.1 Reducing digital exclusion inequalities

Where are the opportunities for your area to reduce digital exclusion inequalities and embed supports/interventions as part of your work?

Communication about the proposed changes will be made by post, drop-in sessions will be available and there will be the option to request a survey in paper format.

The proposed changes are to the levels of financial support, which could impact finances available for digital connectivity. By collaborating with our partners, these households could be supported through the National Databank.

The process for making a Council Tax Support claim and contacting the Benefits Service remain the same. This includes application forms that are online. However, customers who cannot access this continue to have the option to ring the Benefits Customer Services team, who will help complete an application form over the telephone. Customers can still report change in circumstances through email, telephone, online or through the post.

## EQUALITY IMPACT ASSESSMENT (EIA)



If the award of Council Tax Support changes, customers will continue to be sent a notification letter through the post. They will also receive a revised council tax bill through their usual method, which if they have not opted for electronic means, will be a paper-based bill through the post.

### 5.0 Will there be any potential impacts on Council staff from protected groups?

There will be no impact on job numbers and no restructure planned as an outcome of these proposals.

You should only include the following data if this area of work will potentially have an impact on Council staff. This can be obtained from: [Nicole.Powell@coventry.gov.uk](mailto:Nicole.Powell@coventry.gov.uk)

#### Headcount:

##### Sex:

Female	
Male	

##### Age:

16-24	
25-34	
35-44	
45-54	
55-64	
65+	

##### Disability:

Disabled	
Not Disabled	
Prefer not to state	
Unknown	

##### Ethnicity:

White	
Black, Asian, Minority Ethnic	
Prefer not to state	
Unknown	

##### Religion:

Any other	
Buddhist	
Christian	
Hindu	
Jewish	
Muslim	
No religion	
Sikh	
Prefer not to state	
Unknown	

##### Sexual Orientation:



## EQUALITY IMPACT ASSESSMENT (EIA)



Heterosexual	
LGBT+	
Prefer not to state	
Unknown	

### 6.0 How will you monitor and evaluate the effect of this work?

- Monitor groups requesting council tax hardship support.
  - Operate a dedicated section 13a 1 c (hardship fund) policy to support those in the greatest need.
- Capture and analyse data through the Council's complaints process.
  - All officers across Revenues and Benefits will flag any complaints regarding the impact of the CTS changes/ability to pay the increased council tax amounts.
- Monitor groups affected by increased council tax and council tax arrears.
  - Review the council tax recovery process for those in receipt of CTS.

6.1	Action Planning	
Issue Identified	Planned Action	Timeframe
Capture complaints about the impact of CTS changes	Capture and analyse data through the council's complaints process.	Incorporated into Business As Usual processes.
Ensure households on low income and those disproportionately impacted by inequalities are supported.	Continue to operate a dedicated section 13a 1 c (hardship fund) policy to support those in the greatest need.	Incorporated into Business As Usual processes.
Increase uptake of support available	Continue to work collaboratively with partners to ensure the most vulnerable households are maximising the support available to them.	31/03/2024
Ensure recovery action and additional costs are minimised	Review the council tax recovery process for those in receipt of CTS.	31/03/2024
Ensure households receive the best service and are aware of additional help	Provide training to Revenues, Benefits and Customer Services on changes, to include signposting to other support available.	31/03/2024

## EQUALITY IMPACT ASSESSMENT (EIA)



Ensure the impact of changes to the scheme are identified and reviewed for 2025/26	Monitor and review the impact of the changes to the scheme for 2024/25 and diarise to review CTS for 2025/26.	30/06/2024
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### 7.0 Completion Statement

**As the appropriate Head of Service for this area, I confirm that the potential equality impact is as follows:**


No impact has been identified for one or more protected groups

Positive impact has been identified for one or more protected groups

Negative impact has been identified for one or more protected groups

Both positive and negative impact has been identified for one or more protected groups

### 8.0 Approval

Signed: Head of Service: 	Date: 08/02/24
Name of Director: Barry Hastie	Date sent to Director: 08/02/24
Name of Lead Elected Member: Councillor Richard Brown	Date sent to Councillor: 08/02/24

Email completed EIA to [equality@coventry.gov.uk](mailto:equality@coventry.gov.uk)