

# **Discretionary Council Tax Awards Equality Impact Assessment**

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## **1 Introduction**

- 1.1 This is the fourth assessment of the Council Tax Support Scheme and focuses on the collected evidence one year into the scheme. The council adopted a discretionary fund methodology. This is a fund falling outside of the Council Tax Reduction Scheme that complements the Scheme by providing a means by which Council Tax Payers who are in financial need can receive assistance that cannot be met by the main Council Tax Reduction Scheme.
- 1.2 The Council Tax Scheme is already providing a graduated discount through means testing. In Milton Keynes this is up to a maximum 80% reduction in Council Tax. The discretionary fund covers the last 20%, meeting the needs of vulnerable people and helping to alleviate child poverty by:
  - Easing severe financial pressure on families and individuals whose circumstances are such that they incur essential additional day to day living costs, which they are unable to meet from their income.
  - Helping local people through personal crises and difficult events.
  - Ensuring that pensioners receiving a war pension are not adversely affected financially by the abolition of Council Tax Benefit.
  - Supporting young people leaving care in the transition to adult life.
  - Encouraging and sustaining people in employment.

## **2 Previous Assessments**

- 2.1 Previous assessments focused on the fairness of making people eligible for full council tax reduction based on a personal characteristic; for example, their disability, single parent, or carer status. This process is often called passporting.
- 2.2 Passporting is a “blunt tool”. The council’s view was that there was a risk of indirect discrimination and a large reduction in service resources; resultant from a large number of people who were able to, not contributing to Council Tax. Consequently, services would be less able to advance equality of opportunity through their everyday functions.
- 2.3 Little is known about the extent that passporting influences decisions about work and independence, the suggestion from colleagues in Leeds and Kirklees is that with a more buoyant employment market in Milton Keynes, passporting is more likely to have a negative effect on decisions about work.

2.4 It is also unclear how using impairment and status defines a person, unhelpfully forcing them conform to stereotypes or assumptions and impeding their ability to contribute as a citizen.

### **3 Vulnerable people**

3.1 The government in developing their proposals made it clear that one of their aims was the protection of vulnerable people. The only national guidance on this subject was unfortunately not very illuminating, but points to the council's duties – in particular under section 149 of the Equality Act 2010. The application of section 149 in this situation is more complex than the government and others such as the Public Accounts committee have appreciated.

3.2 The complexity stems from confusion in the inter-changeable use of the terms “vulnerable groups” and “vulnerable people”; “vulnerable groups” being groups that would be passported and “vulnerable people” with emphases on the circumstances of individuals. Milton Keynes Council took the view that concentrating a scheme and discretionary funds on individual circumstance was more important.

3.3 Government did not to passport any other group other than pensioners. This was presumably based on evidence collected nationally that only pensioners represented a “vulnerable group” of any significant size. However, there are questions about the extent to which any sort of assessment was made.

3.4 Therefore councils were asked to protect vulnerable people with only a small area of manoeuvre, especially after other reductions were kept for single people and pensioners in the legislation and regulations.

### **4 Supporting vulnerable people**

4.1 Monitoring of the Council Tax Support Scheme and Discretionary Fund indicates how they support vulnerable people.

4.2 Questions arising from this monitoring are:

- In justification of the decision not to passport, are there low proportionate levels of applications from vulnerable groups?
- Were levels of publicity for the discretionary support reasonably high?
- Is there a high threshold for refusal, as shown by a majority receiving support?
- Is it obvious from a review of those applicants that did not meet threshold of being the most vulnerable why they did not meet that threshold?
- Has the impact on Council Tax collection been low?

## 5 Applications for discretionary support

5.1 In March 2013, before the Scheme started consideration was made to the percentage of applications expected from any particular group, if a judgement of passporting were to be considered. The following parameters were thought to be indicative of high and low impact made by the characteristic:

- very high impact 80-100%,
- high impact 60-80
- medium Impact 40-60%
- low impact 20-40%
- very low impact 0-20%

5.2 These data from the applications provided evidence for interpretation, as outlined in the table 1.

**Table 1: Percentage and number of people with certain characteristics that received 100% reduction**

	% applied	% received	No.
Overall CTR Working age population	5.7%	3.8%	503
Single parents with children 1	1.0%	0.6%	6
Single parents with children 3	1.9%	1.0%	15
Parents with disabled child	2.8%	1.8%	6
Care leavers	100.0%	100.0%	25
People with a Disability	13.0%	7.3%	167

5.3 The evidence would suggest that there is little correlation between status and eligibility based on profound need. The only characteristic, other than purely financial reasons, that had an impact was whether the person was a recent care leaver. Deeper analysis showed that only mental illness was a significant factor amongst those with a disability.

5.4 Therefore the evidence suggests that it would be wrong to passport groups of people other than care leavers based on a characteristic.

## 6 Publicity for the discretionary support

6.1 On its own, the evidence from applications would be meaningless if the levels of publicity, consultation, and support were low. The following provides evidence for the thoroughness of the publicity, consultation and support:

- 204 communication events have taken place internally and externally
- 43 events have taken place just on the discretionary fund

6.2 These include specific events for:

- Disability Advisory Group, which is supported by the Centre for Integrated Living – at which they called for an Easy Read Version of the publicity and agreement of the discretionary fund approach
- Older People’s Forum, which is supported by Age UK
- Family Support Team
- Children’s Centres
- Armed forces covenant partners
- Deaf Drop in group
- Autism Partnership Board
- Learning and Disabilities Partnership Board
- Connections MK
- Community Action MK - Acorn House - briefing to community mobilisers
- CAB Advisors
- Physically Disabled and Sensory Impairment Consultative Group
- Disability Information service - Christ the Cornerstone church
- MK Act
- Care Leavers Team
- Geographical meetings with various residents associations

6.3 The council provided publicity in various forms, including Easy Read and devised a referral system with the Citizens Advice Bureau (CAB). Throughout the development of the Scheme, the CAB was the community champion on the project.

## 7 Percentages receiving support

7.1 If it were unreasonably difficult for an applicant to receive full support, this would challenge the fairness of the discretionary fund.

**Table 2: Percentage of people with certain characteristics that were successful**

	% success
Overall CTR Working age population	67%
Single parents with children 1	60%
Single parents with children 3	52%
Parents with disabled child	67%
Care leavers	100%
People with a Disability	56%

- 7.2 There were no pre-determined percentages assigned for successful applicants from different groups. A crude target of performance was set beforehand and the aim of fund was that a majority of applicants would be successful, thereby creating a baseline comparative figure.
- 7.3 People with a disability are lower as a proportion than any other group and may reflect some people assuming that saying they had a disability would automatically make them eligible. If this is the case it is assumed that this figure may in subsequent years be higher than 67%.
- 7.4 Overall the figures are significantly higher than 50% which suggests that the system was supporting the most vulnerable people.

## **8 Review of unsuccessful applications**

- 8.1 A random set of 20 unsuccessful application forms from individuals with a range of different characteristics and ascertained were examined to consider whether the process was clear and the reason for refusal obvious.
- 8.2 Each application form includes a summary, produced by the reviewer of the application. This includes: Is the claimant in a vulnerable group? The answers to other yes/no questions and the total of income over expenditure.
- 8.3 Of the 20 applications reviewed: 15 had clear and reasonable grounds for refusal to provide more than an 80% reduction. Of the rest:
- Three their own figures didn't add up and could have been borderline vulnerable. This occurred in some of the first applications and the form was revised and more work was completed to ensure that people had properly noticed when they suggested they didn't buy food for instance.
  - One application was a very vulnerable and complicated case which highlights how specific guidance maybe needed to assess those with complex needs
  - One application was from someone who had a chaotic lifestyle who had a learning difficulty
- 8.4 This random set of applications contained many obvious reasons why the applicant could not be considered in the most vulnerable group; these included: expensive mobile phone payments, satellite or entertainment bills, and other non-essential payments.
- 8.5 According to colleagues in Kirklees the benefits system has been properly considered for people with typical expenditure, the vulnerability comes from the expenditure side of the consideration. Vulnerability through the Discretionary Fund is recognising a person or household's extra expenditure - over and above those that have been understood in the benefits system - which is due to a particular situation, characteristic or status.

## **9 Rate of Payment**

- 9.1 There is a risk to services, the Council Tax Support Scheme and the Discretionary Fund if Council Tax collection is low.
- 9.2 However as of late March :
- Payments in total is 0.6% down on last year
  - Only 2% of the Council Tax Payers have not paid anything
  - Nearly 82% of all the amount expected from new payers, has been paid
- 9.3 Colleagues in the London Borough of Haringey have said that the figure for payment in London is between 70-80% and this is considerably more than the 50% debt provision made on an expected 32% payment figure.
- 9.4 Whilst it is hard to know whether these figures are hiding further issues - for example that people are defaulting on other bills such as housing rents and utilities - it does suggest that a large proportion of residents had the ability to pay. The service will need to continue to assess ability to pay; especially those who have paid but have other serious issues, the characteristics of those who do not pay in full and against whom action is taken.

## **10 Adjustments made in 2014**

- 10.1 Following from the earlier assessments and in fulfilment of the Public Sector Equality Duty, the scheme has been monitored and the following adjustments have been made to have due regard to the advancement of equality of opportunity.
- Some initial applications were refused on the basis that applicants declared more income than essential outgoings. This was particularly true in the case of people receiving disability benefits. The council was concerned that the application form was not capturing all essential / reasonable expenditure and so the form was amended to include details of further outgoings.
  - The policy was adapted to allow for awards to be made without a financial assessment to people who were unable to cope with financial issues. This amendment is targeted at people who have mental health issues, mental capability/learning difficulties and people struggling due to personal crisis and difficult events. A fast track application form was developed, which can be used by support workers and advice workers on behalf of the applicant where they have identified a need.
  - A similar fast track application form, is now used by support workers, was also developed to capture applications from young care leavers.

## **11 Assessment**

- 11.1 The council's approach is supporting vulnerable people by understanding and adjusting the process to meet the needs of local people. This is not perfect but represents a serious and thorough attempt at supporting the most vulnerable.
- 11.2 More than 23,000 households get a Council Tax reduction, of these, 861 get a 100% reduction through a discretionary grant. These are the most vulnerable households in Milton Keynes, representing 67% of those who applied for the discretionary fund.
- 11.3 Consideration should be made to:
- Fast-tracking those with complex disability needs, especially when there is a large care package element, this could be developed with the help of the Health and Social Care Service Group.
  - Revisiting the needs of carers, especially carers of children with a disability and ensure that their work status is understood.