

**IMPACT ASSESSMENT OF RELEVANT POLICIES, DECISIONS OR FUNCTIONS**

Please contact St.Helens Council's Policy Unit on 01744 676593 if you require further help

1. **Title of Decision:** Council Tax Assistance Scheme  
**Service:** Revenues and Benefits  
**Department:** Chief Executive's  
**Responsible Officer:** John Fogarty  
**Contact Number:**  
**Date Started:** 23<sup>rd</sup> May 2012  
**Date Completed:** Ongoing throughout the process

**Aims:** Please identify the main aims of the policy, decision or function?

To develop and implement a local assistance scheme to provide financial support, through the awarding of a council tax rebate, to vulnerable households on a low income.

St.Helens Council has identified an estimated shortfall of £2.5m between existing Council Tax Benefit expenditure in 2012-13 and the Government's funding to support the local assistance scheme in 2013-14.

The Council must implement a local scheme which is affordable within the budgetary constraints it faces whilst meeting its statutory obligations.

2. **Impact Assessment**

Issue	How will this be taken into account
Vulnerable People	<p>The Government Guidance will be taken into account throughout the development of the Council Tax Assistance Scheme - Localising Support for Council Tax Vulnerable People – key local authority duties (DCLG May 2012)</p> <p>This document identifies vulnerable groups with the following:</p> <ul style="list-style-type: none"> <li>• The Equality Act 2010</li> <li>• The duty to mitigate effects of child poverty</li> <li>• The duty to prevent homelessness</li> <li>• Armed Forces Community Covenant</li> </ul> <p>This means that vulnerable groups may include the following:</p> <ul style="list-style-type: none"> <li>• Pregnant women</li> <li>• Lone Parents</li> <li>• Care Leavers</li> <li>• Custody Leavers</li> <li>• Victims of Domestic Violence</li> <li>• Families with children under 5</li> <li>• Families with children under 16</li> <li>• Households that include a disabled person (including mental illness, learning disabilities and physical disabilities)</li> <li>• Disabled people supported with an assessed care need</li> <li>• Those in receipt of a war pension or a war widows pension</li> </ul> <p><b>Older People</b> The Government will protect pensioners (applicants of state pension credit age) from any reduction in council tax support.  This means that the effective reduction in government funding must be found from non-pensioner aged customers, i.e. applicants of working age.</p> <p><b>Potential Impact on Vulnerable People</b>  The abolition of Council Tax Benefit and the budgetary constraints the Council faces, including a reduction in Government funding, presents a risk that a replacement scheme could adversely impact financially on those vulnerable people, who are applicants of working age.  It is proposed that the local Council Tax Assistance Scheme will retain similar components to the current Council Tax Benefit scheme to take into account the particular circumstances of financially vulnerable people. This will include retaining:</p>

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	<ul style="list-style-type: none"> <li>• An Applicable Amount (or Living Allowance)</li> <li>• Premiums to take into account the higher costs of having a child(ren), a disability or carer responsibilities.</li> <li>• Disregards of certain incomes which are paid to vulnerable groups, e.g. the disabled, war pensioners / widows, children.</li> <li>• Disregard a proportion of earnings to provide a work incentive.</li> </ul> <p>Analysis on each of the component parts of the Council Tax Assistance Scheme against potential impact on vulnerable people is set out below under <b>Options</b>.</p> <p><b>NB</b> The Council will carry out further analysis on the component parts of the Council Tax Assistance Scheme to identify if the potential impact on vulnerable people is disproportionate and adverse when compared to other potential qualifiers for assistance.</p> <p>If a potential disproportionate impact on a vulnerable group is identified the Council will explore further amendments and mitigations to remove or lessen the impact before the final decision on the Council Tax Assistance Scheme is taken.</p>
Context - Cumulative impact of multiple reductions to other Welfare Benefits	<p>The Council Tax Assistance Scheme must be understood within a context of the Government's welfare reform proposals.</p> <p>Many people claiming benefits may see their household income fall as a result of these reforms. Changes that have already been brought in include:</p> <ul style="list-style-type: none"> <li>• Child Benefit frozen for 3 years</li> <li>• Contribution based Employment Support Allowance limited to 12 months for those in the 'work related activity' group</li> <li>• Working Tax Credit: <ul style="list-style-type: none"> <li>- Increase in qualifying hours criteria</li> <li>- Limitations to backdating</li> </ul> </li> <li>• Migration of people from Incapacity Benefit on to Employment Support Allowance</li> <li>• Non-dependant deductions on Council Tax and Housing Benefit</li> </ul> <p>Further changes will be implemented in 2013:</p> <ul style="list-style-type: none"> <li>• Child Benefit withdrawal for wealthier families and reductions for other</li> <li>• Benefit cap for working age claimants of (£500 couple, £350 single parent family)</li> <li>• Housing Benefit entitlement in the social rented sector will be restricted to the number of bedrooms deemed appropriate for family size and circumstances.</li> <li>• Disability Living Allowance to be replaced by Personal Independence Payments for working age claimants.</li> <li>• The introduction of Universal Credit that will replace: <ul style="list-style-type: none"> <li>- Income-based Jobseeker's Allowance</li> <li>- Income-related Employment and Support Allowance</li> <li>- Income Support</li> <li>- Child Tax Credits</li> <li>- Working Tax Credits</li> <li>- Housing Benefit</li> </ul> </li> </ul>
Option appraisal	<p><b>Proposed Option assessing the impact of each component within the Council Tax Assistance Scheme</b></p> <p><u>Applicable Amounts And Premiums</u></p> <p>Introducing applicable amounts and premiums within the local scheme ensures that the additional needs of the vulnerable are taken into account when determining assistance.</p> <p>A scheme designed by principles other than these would not have the same</p>

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	<p>sensitivity to ensure those that the most vulnerable receive the more assistance.</p> <p>By setting applicable amounts and premiums at a similar rate to those contained in other social security benefits, e.g Housing Benefit, income support etc, ensures that the assistance the Council provides is broadly consistent with other means-tested schemes.</p> <p>Lowering the applicable amounts and removing or changing the premiums, compared with other social security benefits, would adversely impact vulnerable groups. Therefore applicable amounts and premiums will not be amended or altered within the proposed Council Tax Assistance Scheme.</p> <p><u>Disregards</u></p> <p>By providing a number of income disregards, the local scheme will:</p> <ul style="list-style-type: none"> <li>• provide an incentive for people to take up employment.</li> <li>• recognise the additional costs incurred by vulnerable people, i.e. disabled, vulnerable, families with children and lone parents.</li> </ul> <p>Disregards will not be removed or altered under the proposed Council Tax Assistance Scheme.</p> <p><u>Capital limits</u></p> <p>The Council expects that those applying for assistance whose savings and capital are above a minimum threshold use some or all of those resources to meet their council tax liability.</p> <p>Savings under £6,000 (lower limit) will be disregarded in full.  For each £250 of saving above this lower limit, the Council will assume a £1 addition to the income.  Council Tax Assistance will stop where savings and capital exceed £16,000 (upper limit).</p> <p>Other social security and welfare benefits are calculated using the same lower and upper capital limits. Therefore the Council feels justified in maintaining these Capital limits within the proposed Council Tax Assistance Scheme. The Council will also continue to disregard certain capital in line with other social security benefits.</p> <p><u>Non-dependant Deduction Charges</u></p> <p>The Council consider it is important that other adult household members contribute to the cost of maintaining a household including council tax costs.</p> <p>Accordingly it will apply a non-dependant deduction based on the number and the income of adults in the household.</p> <p>There may be cases when this is not appropriate, i.e. where a household member is vulnerable, and this will be reflected in a reduced level of deduction.</p> <p><u>Discounts and Exemptions for Empty Properties</u></p> <p>Reduction of the Class C exemption on empty properties. It is not perceived that this will impact on vulnerable groups. This will impact on Registered Providers, private landlords and property developers.</p>

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	<p>Reducing Class A exemptions on renovations. It is not perceived that this will impact on vulnerable groups who may be able to receive a difference council tax exemption.</p> <p>Reducing discount on second homes and increasing the charge on long term empties. It is not perceived that this will adversely impact on vulnerable groups.</p> <p>Ceasing to offer second adult rebate. It is not perceived that this will adversely impact on vulnerable groups as this rebate does not take into account the householder's financial circumstances.</p> <p><u>Introducing a 20% minimum liability for all household</u></p> <p>Introducing a 20% minimum liability for all households is perceived to be the fairest option available. It is based on maintaining similar elements to the current Council Tax Benefit Scheme, which has not been challenged as being discriminatory. Although there will be some impact for vulnerable groups, it is perceived that the maintenance of applicable amounts, premiums, disregards and exemptions will ensure that vulnerable groups will not be disadvantaged disproportionately by the proposal.</p> <p><u>Restricting the entitlement to claim Council Tax benefit to Band D</u></p> <p>Restricting the entitlement to claim Council Tax benefit to Band D (Cap). It is perceived that this will impact on single people with passported benefits living in Property Bands E, F, G, H. Under this proposal the maximum council tax assistance will be restricted the Band D amount. It is not perceived that this will impact on vulnerable groups disproportionately.</p>
Mitigations	<p><u>Discretionary Housing Payments</u></p> <p>Discretionary Housing Payments (DHP) will continue for 2013-14. This is an extra payment to help pay the difference between the rent charged by a landlord (the contractual rent) and the rent used by the Council to work out a tenant's entitlement to Housing Benefit.</p> <p>The difference between the contractual rent and housing benefit could mean the tenant struggles to pay their housing costs and puts them at risk of losing their home.</p> <p>The Council can assist the tenant in meeting this shortfall by awarding a Discretionary Housing Payment. Discretionary Housing Payment awards will provide some mitigation to proposed changes to the housing benefit scheme.</p> <p><u>Discretionary Council Tax Assistance</u></p> <p>The council will develop a discretionary scheme to protect households in exceptional circumstances. It is envisaged that will be applied by the Council on a case-by-case basis. The details of this scheme and their potential impact on protected groups will be assessed and inform the Council final decision on the Council Tax Assistance Scheme.</p> <p><u>Transitional Arrangements</u></p> <p>That transitional arrangements are put in place to protect households that are affected by multiple elements of the local scheme from large increases in bills, and that these arrangements form part of the proposed discretionary scheme to protect households in exceptional circumstances.</p>

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	<p data-bbox="485 264 1107 295"><u>Further Analysis and continuing Impact Assessment</u></p> <p data-bbox="485 309 1342 403">The Council will carry out further analysis on the component parts of the Council Tax Assistance Scheme to identify if the potential impact on vulnerable people is disproportional and adverse.</p> <p data-bbox="485 416 1390 510">If a potential impact on a vulnerable group is identified the council will explore further amendments and mitigations to remove or lessen the impact before the final decision on the Council Tax Assistance Scheme is taken</p>
Consultation	<p data-bbox="485 533 1299 595">Consultation will be with the public and the partner agencies that are stakeholders Authorities (e.g. Fire, Police, Parish Council's).</p> <p data-bbox="485 600 1386 663">The consultation will include groups that represent the interest of vulnerable people (e.g. Citizens Advice Bureaux and Disability Advice St.Helens).</p> <p data-bbox="485 667 1390 788">Part of the consultation process will also include informing Council Members and voluntary and community groups about the changes and where to refer people for support (Community Voluntary Action, The Social Inclusion Network, Disability Empowerment Network etc).</p> <p data-bbox="485 792 1342 855">The consultation period will be 12 weeks and meet the Voluntary Sector Compact agreement</p>

**3. Indirect discrimination****Are there any rules or requirements in the policy / decision that:**

- a Can be met by a considerably smaller proportion of people from a particular section of the community?
- b Is to the disadvantage of that group?
- c Cannot be justified by the aims and importance of the policy?

If all three conditions apply then there may be evidence of indirect discrimination.

No

**4. Publishing the results of the assessment:**

**Decisions** This Impact Assessment Report must be used to inform the Decision. The Impact Assessment must be attached to the Proposal within the appropriate Decision Database, or attached as an appendix to a Cabinet or Chief Officer Group Report

**Policy** This Impact Assessment Report must be used to inform Policy development. Attach the Impact Assessment Report as an appendix in the published Policy.