

# DRAFT Equality Impact Assessment



**Directorate** Corporate Services  
**Budget Theme or Service Area:** Council Tax Support Scheme  
**Lead Officer:** Stuart Anstead  
**Review date:** 6 JAN 2025

**For budget themed EIAs, please ensure that all savings listed are explicitly considered within this EIA.**

Budget Ref.	Budget Proposal	Budget Reduction £		
		2025/26	2026/27	2027/28
RES01	Review of the local Council Tax Support (CTS) scheme to reduce costs and the level of support to working-aged adults. Financial support to pensioners is protected under national guidance. Options and potential changes will be supported by a full consultation before decisions are made	£1,500,000		

## 1. Equality Impacts

Please make High, Medium, Low or No bold as appropriate

### 1.1 Service User Impact

Before mitigating actions                      **High**                      Medium                      Low                      No

After mitigating actions	High	<b>Medium</b>	Low	No
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## 1.2 Staff Impact

Before mitigating actions	High	<b>Medium</b>	Low	<b>No</b>
After mitigating actions	High	Medium	<b>Low</b>	<b>No</b>

**Assistant Director/Director sign off:** Amy Webb

## 2. The Project

### 2.1 Background to project

The CTS scheme helps 11,400 North Somerset households on low incomes to pay their Council Tax, of which approximately 6,000 are working age. Under the current scheme, a working-age household liable for Council Tax could get up to 75.5% of the charge automatically paid through the scheme.

The Council is considering a new, simplified version of the CTS scheme, which would only impact working-age residents (typically between 16 and 66) who claim this support.

With the introduction of new eligibility criteria associated with Universal Credit and the financial challenges facing the council, the current Council Tax Support scheme is no longer fit for purpose. The current means-tested scheme was introduced in 2013 and has remained largely unchanged. It is considered to be complex and requires regular rebilling as the circumstances of households change. The introduction of income bands will simplify for our claimants and reduce the need for rebilling significantly.

It's proposed to review and redesign CTS together with all areas of North Somerset Council spending as the council generates plans to balance its budget in 2025/26 and beyond. It is important to note that the majority of local authority pressures relate to the provision of statutory services such as adults and children's social care and special educational needs.

The proposed changes will see the overall cost of the scheme fall from £12.1 million to £10.6 million thus helping reduce the council's budget pressure.

As this scheme is designed to save £1.5m per annum against current scheme costs, profiling shows that c. 89% of households will lose a level of financial support under this scheme. A small proportion of low earners may maintain current support levels or gain slightly.

The CTS scheme and associated spending on working age claimants is discretionary and while most Local Authorities have a similar scheme, the design and levels of financial support vary nationally. The scheme in North Somerset is not the most generous but neither is it the least, with direct comparisons unreliable due to the scheme complexities and unique composition of households in the local area.

The CTS discount scheme is only one of a range of benefits available to low-income individuals and households.

If changes are agreed, funding will be set aside for a Discretionary Hardship Fund to assist households struggling to pay their Council Tax bills. This is in accordance with Section 13A of the Local Government Finance Act 1992. The amount set aside will depend on the overall scheme finances. The fund will provide support for those in need, and applicants will need to provide evidence of their financial circumstances and demonstrate that all appropriate steps to claim all applicable discounts and benefits have been taken and ways to pay their Council Tax have been explored (including arranging to pay any debt with the council).

The council has drafted **two options** for the scheme.

### **Option A**

- Maximum support: Up to 55% of your council Tax bill could be covered. This applies to everyone except households with a child who is in receipt of a disability benefit or pension-age residents claiming Council Tax Support.
- Households with a child who is in receipt of a disability benefit will receive up to 65% off their Council Tax.
- The amount of money that the council will have available to support vulnerable households through a Hardship Fund would be less under Option A.

### **Option B**

- Maximum support: Up to 50% of your Council Tax Bill could be covered. This applies to everyone except households with a child who is in receipt of a disability benefit or pension-age residents claiming Council Tax Support.
- Households with a child who is in receipt of a disability benefit will receive up to 65% off their Council Tax.
- The amount of money that the council will have available to support vulnerable households through a Hardship Fund would be more under Option B.

Both option A and option B, will also include the following components -

- Income bands: The level of support your household receives will depend on which income band (range of income) you fall into.
- Savings limit: Only households with savings or assets under £6,000 would qualify. Currently, the limit is £16,000.
- Simplified deductions for non-dependent adults: The way we calculate deductions for other adults living in your home (for example, grown-up children) will be simplified.
- Continued support for households with a disabled child: Households with a child who receives a disability benefit will receive up to 65% off their Council Tax (currently, the maximum support is 75.5%) which is above the proposed level for other households with working age adults.
- Maximum support limited to Band D: This cap means that the 159 households with higher-band homes (E, F G or H) won't receive more support than the maximum level applied to Band D, making the support consistent across different property types. Support will be based on the Council Tax for Band D properties (the middle level), even if you live in a more expensive property.
- Additional help for vulnerable households: Extra support will be available for households who need it most and are struggling to pay their Council Tax.

Households with a disabled child under the current means test arrangement have the highest levels of support among the disabled categories. While the new scheme would reduce the average CTS for all households, a level of protection is offered via the new scheme to households with a disabled child. According to the Gov.uk website people living in families with disabled children were more than twice as likely to be living in poverty than those in families where no one was Disabled in 2021-22. Families with disabled children can face considerable additional expenditure. It is estimated that it costs three times as much to bring up a disabled child as it does a non-disabled child – these extra costs associated with disability increase the likelihood of poverty among disabled children and their families. Many parents of disabled children are unable to work because of care responsibilities and face additional barriers in accessing affordable childcare that can meet the needs of their children. Additional obstacles to work can also be created by the stress of caring for a disabled child.

The new scheme design does have a higher impact on households with no dependent children. We feel this is aligned with initiatives from the DWP and the Governments Get Britain Working package, where the Chancellor has unveiled a £240 million cash injection to accelerate the rollout of local services to help people back into work. Unlocking barriers to work and tackling inactivity is at the heart of plans to improve living standards for everyone across the country.

**Chancellor of the Exchequer, Rachel Reeves said:**

“Due to years of economic neglect, the benefits bill is ballooning. We will build a Britain where people who can work, will work, turning the page on the recent rise in economic inactivity and decline and towards a future where people have good jobs and our benefits bill is under control.”

The continuing roll out of Universal Credit has ensured that people are better off in work, as it is designed to top up your earnings if you have a low income.

## 2.2 Please detail below how this proposal may impact on any other organisation and their customers.

We understand that the changes brought about by this proposal may impact Citizens Advice North Somerset (CANS). CANS is a voluntary organisation that amongst other things, offers advice to customers who need support with their household income and expenditure, and a change to our CTS scheme could increase the number of customers needing their help and support.

Increased demand may be experienced by other support or welfare mechanisms such as foodbanks, fuel banks, and other welfare services.

## Section 3 – What do we know?

### 3.1 Who is likely to be affected by this project?

Consider who the policy or service is intended to support. Please explain how proposed changes could impact on these groups. **Please make options below ‘bold’ as appropriate.**

Community across North Somerset	Community in a specific area, please specify	Council Partners
Service users	North Somerset Council Employees	Commissioned Services
<b>Voluntary/Community Groups</b>	<b>Other – Those in receipt of CTS</b>	

Any changes to the scheme will directly affect working-age households receiving CTS now or in the future.

We understand that the changes brought about by this proposal may impact Citizens Advice North Somerset, as a negative change to our CTS scheme could increase the number of customers requiring help and support.

There is an anticipated increase in demand for other support or welfare groups such as foodbanks, fuel banks, and other welfare services.

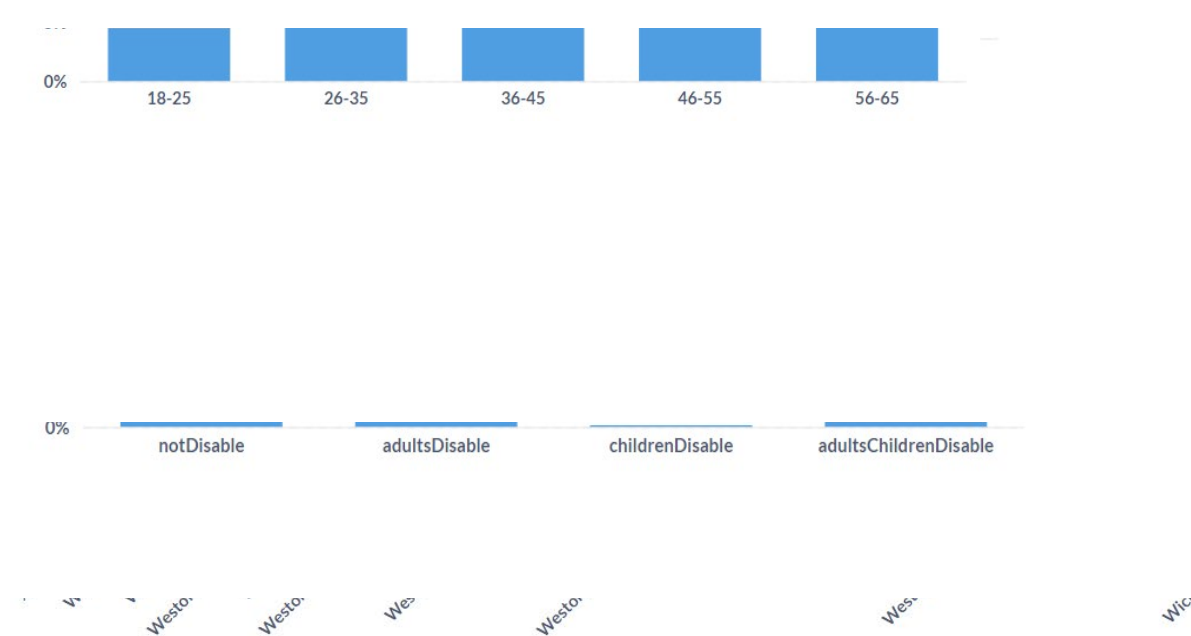
### 3.2 What data or evidence do you have to inform this Equality Impact Assessment?

**Maximum support limited to Band D:** We currently have 159 households that are in a band E-H property, whose CTS will be capped at a band D level. These 159 households make up 2.47% of our working age caseload.

**Continued support for households with a disabled child:** We currently have 55 households with a disabled child receiving disability benefits.

**Savings limit:** We currently have 160 households with more than £6,000 in savings. These 160 households make up 2.49% of our working-age caseload.

#### Household Insight



Overall view of Option A – 55% maximum support:

- The average reduction in CTS will be £21.62 per month
- 47 households will see no change to their existing award

- 638 households will see an increase to their CTS award, with CTS increasing by £18.16 per month on average
- 5,744 households will see a decrease to their CTS award, with CTS decreasing by £27.82 per month on average

For more detail please refer to the table below. All figures are monthly

Overall view of Option B – 50% maximum support:

- The average reduction in CTS will be £26.00 per month
- 47 households will see no change to their existing award
- 620 households will see an increase to their CTS award, with CTS increasing by £17.83 per month on average
- 5,762 households will see a decrease to their CTS award, with CTS decreasing by £32.60 per month on average

For more detail please refer to the table below. All figures are monthly

Option A (55% maximum support) - overall view												
Household composition	Average existing award	Average award after changes	Number of residents	% of residents	Households retaining award	% Households retaining award	Households with increased award	% Households with increased award	Average increase value	Households with decreased award	% Households with decreased award	Average decrease value
single	£74.50	54.47	3,521	54.77%	21	0.60%	205	5.82%	£13.19	3,295	93.58%	£23.21
couple	£96.83	64.98	412	6.41%	3	0.73%	26	6.31%	£16.04	383	92.96%	£35.64
family 1child	£74.70	59.12	993	15.45%	12	1.21%	176	17.72%	£23.61	805	81.07%	£25.78
family 2child	£80.81	61.79	1,503	23.38%	11	0.73%	231	15.37%	£19.79	1,261	83.90%	£26.65
<b>total</b>	<b>£81.71</b>	<b>60.09</b>	<b>6,429</b>	<b>100%</b>	<b>47</b>	<b>0.73%</b>	<b>638</b>	<b>9.92%</b>	<b>£18.16</b>	<b>5,744</b>	<b>89.35%</b>	<b>£27.82</b>

Option B (50% maximum support) - overall view												
Household composition	Average existing award	Average award after changes	Number of residents	% of residents	Households retaining award	% Households retaining award	Households with increased award	% Households with increased award	Average increase value	Households with decreased award	% Households with decreased award	Average decrease value
single	£74.50	50.08	3,521	54.77%	21	0.60%	198	5.62%	£13.11	3,302	93.78%	£27.81
couple	£96.83	59.91	412	6.41%	3	0.73%	25	6.07%	£14.81	384	93.20%	£40.86
family 1child	£74.70	55.15	993	15.45%	12	1.21%	174	17.52%	£23.43	807	81.27%	£30.50
family 2child	£80.81	57.72	1,503	23.38%	11	0.73%	223	14.84%	£19.97	1,269	84.43%	£31.21
<b>total</b>	<b>£81.71</b>	<b>55.71</b>	<b>6,429</b>	<b>100%</b>	<b>47</b>	<b>0.73%</b>	<b>620</b>	<b>9.64%</b>	<b>£17.83</b>	<b>5,762</b>	<b>89.63%</b>	<b>£32.60</b>

Breakdown of loss for each option:

- Under option A, 1448 households will see their CTS decrease by more than £25 per month. This is 22.52% of households

- Under option B, 3387 households will see their CTS decrease by more than £25 per month. This is 52.68% of households

For more detail please refer to the table below. All figures are monthly

Households losing more than £25 per month, by household composition				
Household Type	Option A		Option B	
	Number losing over £25/month	% of total cohort losing over £25/month	Number losing over £25/month	% of total cohort losing over £25/month
Single	563	15.99%	1,510	42.89%
Couple with Children	287	53.75%	360	67.42%
Lone Parent	358	18.25%	1,175	59.89%
Couple no children	240	58.25%	342	83.01%
<b>Total</b>	<b>1,448</b>	<b>22.52%</b>	<b>3,387</b>	<b>52.68%</b>

Potential Household Gains and Losses		
Loss band £	Option A (maximum support of 55%)	Option B (maximum support of 50%)
50-75 Gain	1	1
25-50 Gain	209	205
1-25 Gain	398	396
No Change	92	79
1-25 Loss	4,281	2,361
25-50 Loss	1,159	3,081
50-75 Loss	164	157
75-100 Loss	75	90
>100 Loss	50	59
<b>Total</b>	<b>6,429</b>	<b>6,429</b>



- Under both options, 275 working households will see their CTS decrease by more than £25 per month
- Under option A, 1,173 households in receipt of out of work benefits will see their CTS decrease by more than £25 per month
- Under option B, 3,387 households in receipt of out of work benefits will see their CTS decrease by more than £25 per month

<b>Households losing more than £25 per month, by economic status</b>				
	<b>Option A</b>		<b>Option B</b>	
<b>Household Type</b>	<b>Number losing over £25/month</b>	<b>% of total cohort losing over £25/month</b>	<b>Number losing over £25/month</b>	<b>% of total cohort losing over £25/month</b>
Employed	275	24.91%	275	24.91%
Out of work benefits	1,173	22.03%	3,112	58.44%
<b>Total</b>	<b>1,448</b>	<b>22.52%</b>	<b>3,387</b>	<b>52.68%</b>

### 3.3 Who have you consulted with as

#### a part of this project OR who do you plan to consult with?

Our consultation went live on 15 November 2024, and closes on 3 January 2025, therefore we are yet to analyse any responses.

We briefed Members on the proposed changes to the scheme and obtained permission from Full Council to commence the consultation.

Our consultation has been promoted on social media platforms and via a press release.

We have written to stakeholders, voluntary and community groups, Housing Associations, and Town & Parish councils.

Posters and paper copies of the consultation document have been distributed to Libraries and the Healthy Living Centre, for those that are digitally excluded.

We are also contacting current CTS customers directly, by email.

#### 3.4 Are there any gaps in our evidence to support this Equality Impact Assessment? If so, what are the plans to gather this information?

The opinions of digitally excluded residents: Whilst we have directly contacted stakeholders, voluntary and community groups, and existing CTS customers electronically, we have promoted the consultation on social media channels, our access to any digitally

excluded residents is reliant on the key message from our press release being printed in the press or posters and paper copies of the consultation being seen in Libraries and the Healthy Living Centre.

Information is not held on how CTS claimants fit into some of the equality protected groups such as gender (because CTS relates to whole household's circumstances), different ethnic groups, people who are LGBTQ+, particular faith groups, married or in a civil partnership, or are undergoing gender reassignment.

We do not hold data on ethnicity, so have not been able to separately consider these protected groups.

## Section 4 – Assessment of Impact

### 4.1 Will the project have a disproportionate impact (or bias) on any of these groups?

Insert X into one box per row, for impact level and type.

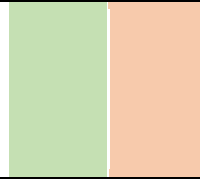
H = High, M = Medium, L = Low, N = None | + = Positive, - = Negative

			M	L	N	+	-	
								53% of our CTS households have a disabled person in the household. A disabled person is someone in receipt of a disability benefit. We do not collect separate information on neurodiversity
People from different ethnic groups					X			We do not collect this information, and do not deem it relevant to this consultation
Men or women (including pregnant women or those on maternity leave)					X			CTS is a property based scheme and we do not have household makeup information
People who are LGBTQ+					X			We do not collect this information, and do not deem it relevant to this consultation
People on a low income			X					Our CTS scheme only helps households with a low income, therefore the impact is high
People in particular age groups			X					Any changes will only impact those of working age (typically between 16 and 66). By law, the council cannot make any changes to the scheme that would reduce the level of support for pensioner households.
People in particular faith groups					X			We do not collect this information, and do not deem it relevant to this consultation
People who are married or in a civil partnership				X				We do not collect this information; however we do know that 946 of our CTS customers are a couple (14.7% of all customers)

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People who are undergoing gender reassignment

X



We do not collect this information, and do not deem it relevant to this consultation

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Protected or significant group	Impact Level				Impact type		Please explain impact giving examples from data and consultation information to support your assessment
	H	M	L	N	+	-	
<p>Other significant groups, for example:            Armed Forces Community, care experienced young people, carers, parents.</p> <p>Please specify: Parents of disabled children</p>			X				<p>We have 55 households that are a household with a disabled child</p>

**4.2 Could this proposal have a cumulative impact with any other budget savings? Yes No**

During the current cost of living crisis, these savings are likely to combine with the pressures from other initiatives such as increasing the costs of parking, increases in Garden Waste subscriptions, etc.

## **Section 5 – Options**

### **5.1 What other options have been considered?**

#### **Options more widely:**

The council is considering a wide range of budget reductions but still has a shortfall for 2025/26. All options are designed to protect statutory spending for local residents.

#### **Options within the scheme redesign:**

The council considered the following options to reduce the cost of the scheme:

- A means-tested benefit (as currently) with a reduced maximum capital limit of £6,000 and simplified non-dependant deductions. • Lowering the maximum support to 60%.
- Lowering the maximum support to 55% (with no other changes).
- A scheme aligned with Council Tax property bands.

However, these options did not simplify administration, could have resulted in worse social impacts, or did not generate the savings required.

To reduce the council's funding shortfall, the council has also looked at the following options:

- Increasing Council Tax: The Council's medium term financial plan assumes additional income from Council Tax. However, councils are limited in how much they can raise Council Tax. If this increase were to cover CTS costs, the council would not be able to generate funds for other services like social care, or would need to hold a local referendum, which would add to costs.

- Cutting funding in other areas: Many council services are already financially stretched and may also need to make savings. Protecting the current CTS scheme would leave less money available for other services.
- Use of reserves: Reserves have been used, but this is not sustainable long-term.

## Section 6 – Action Plan

Issue Identified	Planned Action	Lead Officer	Time for review
Impact on Voluntary/Community Groups	We will continue to support CANS financially to enable the necessary support be provided to households	Stuart Anstead	
Impact on all CTS households	<p><b>Council Tax Discretionary Hardship Fund:</b> If changes are made, we will set aside funding for a Discretionary Hardship Fund to assist households struggling to pay their Council Tax bills. This is in accordance with Section 13A of the Local Government Finance Act 1992. The amount set aside will depend on the overall scheme. The fund will provide support for those in need, and applicants will need to provide evidence of their financial circumstances and demonstrate that all appropriate steps to claim all applicable discounts and benefits had been taken and ways to pay their Council Tax had been explored (including arranging to pay any debt with the council)</p>	Stuart Anstead	

	<p><b>Debt triage and benefits calculator tool:</b> A campaign will be launched in February 2025, to help residents access benefits they may not currently be claiming, reducing reliance on CTS and improving financial resilience. If changes are made to the existing CTS scheme, we will also introduce an online debt triage and benefits calculator tool.</p> <p><b>FirstSteps:</b> FirstSteps is the North Somerset Council's ethical debt management scheme. The team offers a non-judgemental and supportive service that is sensitive to individual circumstances, and they support residents by:</p> <ul style="list-style-type: none"><li>• avoiding rising costs by providing immediate intervention</li><li>• checking individuals are claiming all the benefits and support you're entitled to</li><li>• let residents know about any schemes and organisations that could help</li><li>• book appointments with Citizens Advice North Somerset</li></ul>		
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	<ul style="list-style-type: none"> <li>• work with households to find a repayment plans that are affordable and adaptable if circumstances change</li> </ul>		
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**6.1 If after planned actions you anticipate negative impacts to remain, please provide an explanation below.**

We will set aside funding for a Discretionary Hardship Fund to assist households struggling to pay their Council Tax bills. However, this fund will not support households to the full extent of the proposed reduction. We anticipate that the hardship fund will provide one-third of the household losses.

The benefits calculator tool could support CTS claimants to identify other unclaimed benefits to which they are entitled but its success will be dependent on household circumstances, the promotion and the uptake of this new service.

**6.2 What are the governance arrangements for monitoring and reviewing the actions listed above and the actual impact on protected or significant groups as a result of this project**

The new CTS scheme and the demands on mitigations such as the Hardship fund will be monitored to assess if further changes are required to the CTS scheme for 2026/27.

**6.3 Please set out how you plan to communicate these changes with those effected?**

If changes are made we will communicate this to CTS customers via our webpage - [Council Tax support | North Somerset Council](#)

All CTS customers will also receive their annual Council Tax bill which will show any changes to their entitlement.

**6.4 How will you publish this Equality Impact Assessment?**

The Equality Impact Assessment will be published as an appendix to the Full Council papers to support the decision scheduled for the meeting 18 February 2025.