

## DRAFT Equality Impact Assessment

**Directorate** Corporate Services

**Budget Theme or Service Area:** Council Tax Reduction Scheme

**Lead Officer:** Stuart Anstead

**Review date:**

Budget Ref.	Budget Proposal	Budget Reduction £		
		2026/27	2027/28	2028/29
CSD03	Revisit and reduce the council tax support scheme	£500,000		£500,000

## 1. Equality Impacts

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

### 1.1 Service User Impact

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

## 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>

<b>Assistant Director/Director sign off:</b>	Amy Webb
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## 2. The Project

### 2.1 Background to project

The Council Tax Reduction (CTR) Scheme helps 11,250 North Somerset households on low incomes to pay their Council Tax, of which approximately 6,400 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, depending upon their circumstances. (Working-age is anyone under Pension Credit age).

The scheme costs approximately £12.5million per year and is based upon the Council Tax Reduction Schemes (England) Regulations 2012.

Since 2012/13, local authorities have been permitted to determine a local scheme for reductions in council tax to replace the council tax benefit scheme. For more information on how the current scheme operates, please see [The Council Tax Reduction Schemes \(Prescribed Requirements\) \(England\) \(Amendment\) Regulations 2016](#). This scheme must be retained by all councils in respect of pensioner households (the “prescribed” scheme), whereas local authorities are free to determine an appropriate local scheme for working-age households.

It's proposed to review and redesign CTR together with all areas of North Somerset Council spending as the council generates plans to balance its budget in 2026/27 and beyond.

The proposed changes will see the overall cost of the scheme fall from £12.5 million to £12 million thus helping reduce the budget pressure.

As this scheme is designed to save £500k per annum against current scheme costs, profiling shows that all households will lose a level of financial support under this scheme.

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

We are considering lowering the maximum support available from 75.5% to 65.5%. We will protect households with a disabled child with a minimum support level of 55% of the council tax bill.

This table shows the current 2025/26 scheme and the proposed 2026/27 scheme					
Band	Monthly earned income	Discount percentage 2025/26	Protected group * 2025/26	Discount percentage proposed 2026/27	Protected group * proposed 2026/27
1	£0	75.5%	75.5%	65.5%	65.5%
2	£0.01-£500.00	55%	65%	45%	55%
3	£500.01 - £800	42%	65%	32%	55%
4	£800.01 - £1,100	30%	65%	20%	55%
5	£1,100.01 - £1,400	18%	65%	8%	55%
6	£1,400.01 and above	0%	0%	0%	0%
* Households with a disabled children (the protected group) will receive a discount of up to 65.5%. This is dependent on levels of earnings and will not be below 55% for qualifying 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 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).

## 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 CTR scheme could increase the number of customers needing this 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 CTR 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 CTR 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?

This EIA must have evidence to support the assessment of impact. If no data exists to support the project, please state how to plan to obtain the information in 2.4 below.

#### **Household Insight**

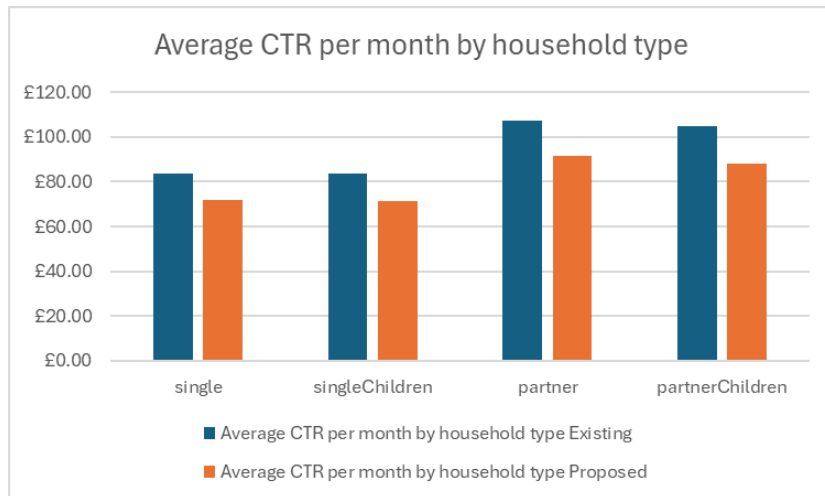
The proposed changes to the scheme would see 100% of customers with a decreased award.

Household Type	Current Scheme Average Award	Proposed Average Award	No. of residents	% of residents	No. retaining award	% retaining award	No. with decreased award	% with decreased award	Average decrease award	Average decrease %
single	£83.51	£71.87	3,293	53.78%	0	0.00%	3,293	100.00%	£11.64	15.45%
couple	£107.45	£91.65	388	6.34%	0	0.00%	388	100.00%	£15.79	16.88%
family_1child	£84.71	£71.74	1,014	16.56%	1	0.10%	1,013	99.90%	£12.98	18.61%
family_2child	£89.62	£75.94	1,428	23.32%	0	0.00%	1,428	100.00%	£13.68	18.74%
total	£91.32	£77.80	6,123	100.00%	1	0.02%	6,122	99.98%	£13.52	17.42%

The table below shows the CTR discount (based on income bands) and the number of households that will be awarded that discount under the proposed scheme –

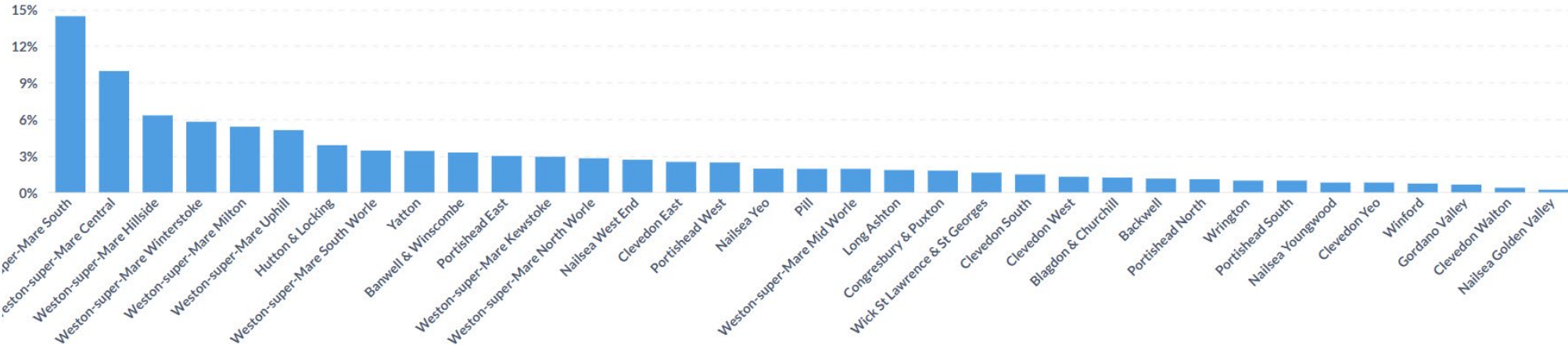
CTR discour	Number	% residen	Single	Couple	Family 1	Family 2ch
66.5%	4,987	81.45%	2,944	310	727	1,006
Protected 55%	83	1.36%	0	0	21	62
45%	340	5.55%	127	28	71	114
32%	265	4.33%	86	18	75	86
20%	257	4.20%	86	15	66	90
8%	191	3.12%	50	17	54	70

The graph below shows the average CTR per month based on household type.

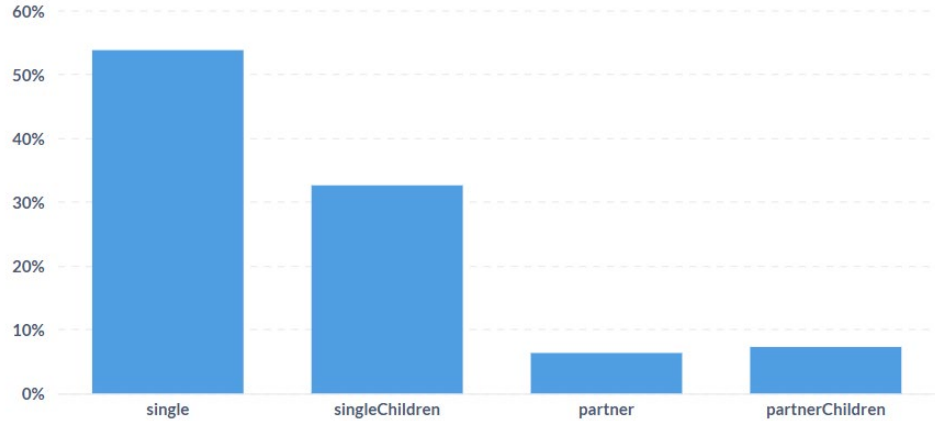


The charts below show the household insights of our current CTR customers

Residents by Ward

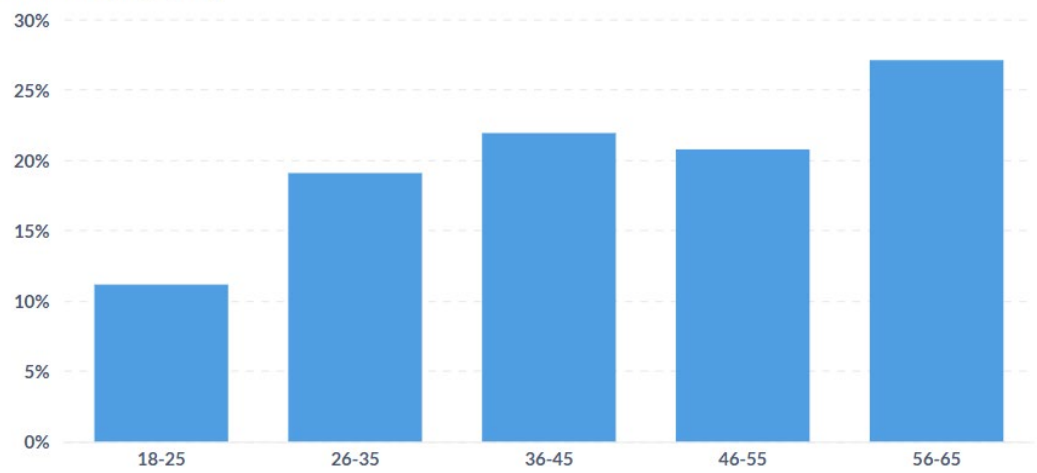


Residents by Household type

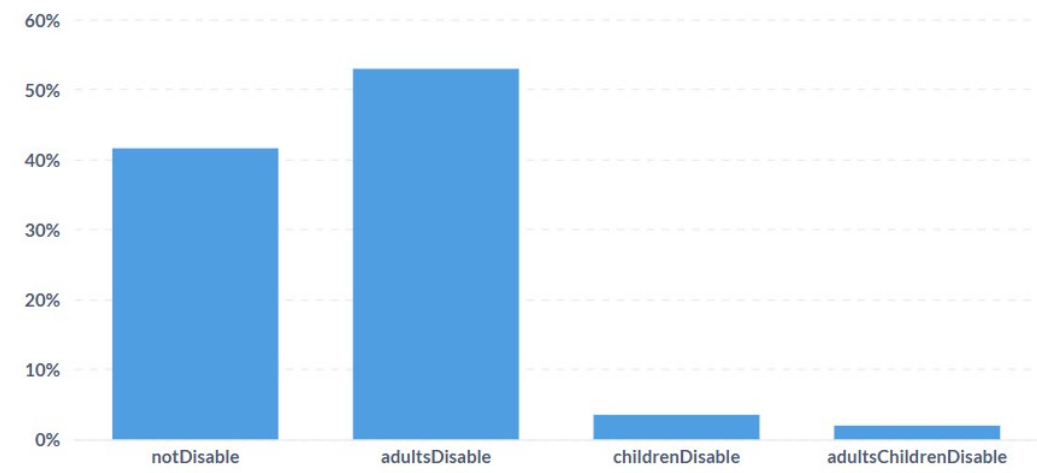




Residents by Age group



Residents by Household disability



### 3.3 Who have you consulted with as a part of this project OR who do you plan to consult with?

Considering the views of those affected is a key part of a robust EIA, please state below the consultation information you have obtained from those affected by the proposed changes.

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

Our consultation will be promoted on social media platforms and via a press release. Stakeholders, voluntary and community groups, Housing Associations, and Town & Parish councils will receive written notification of the consultation.

Digitally excluded residents will be targeted via posters referencing paper copies of the consultation document, which will be distributed via Libraries and the Healthy Living Centre.

Finally, current CTR customers will be contacted by email, due to the scale and potential cost of a physical letter.

### 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?

As above equality information and consultation are key elements of an EIA if this information is not currently available you should plan to obtain it prior to the final approval for the project

The opinions of digitally excluded residents: Whilst we will directly contacted stakeholders, voluntary and community groups, and existing CTR 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 CTR claimants protected groups such as sex (because CTR 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

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	+	-	
Disabled people (including the consideration of neurodiversity)	X					X	53% of our CTR 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			CTR 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					X	Our CTR scheme only helps households with a low income, and 100% of households will see a reduction in their award, at an average decrease value of £13.52 per month
People in particular age groups	X					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 834 of our CTR claimants are a couple (13.62% of all customers)
People who are undergoing gender reassignment	X			We do not collect this information, and do not deem it relevant to this consultation

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 385 households that are a household with a disabled child in receipt of a disability benefit</p>

#### **4.2 Could this proposal have a cumulative impact with any other budget savings?**

**Yes**   No

This is an impact that appears when you consider projects together; a change or activity in one area may create an additional impact somewhere else. For example are you moving a location of a service that may also be impacted upon by a change in public transport

If 'yes', please describe?

Any reduction in the proposed or delivered CTR savings, if not delivered will require the identification of new savings to ensure budgets are balanced.

Due to the low income nature of CTR claimants, an anticipated drop in Council Tax collection rates (income revenue) is predicted (c. 80%), therefore an elevated level of reduction in the scheme is required to achieve a net £500,000.

## **Section 5 – Options**

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

If a range of alternative options have been considered to get to this point in the project please summarise those options including a brief description of why they were not taken forward.

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

The council is considering a wide range of budget reductions but still has a shortfall for 2026/27. 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:

- Lowering the maximum support to 55%
- Lowering the maximum support to 50%

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 CTR 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 CTR 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

Where you have listed that there will potentially be negative outcomes in table 3.1, you are required to mitigate the impact of these. Please detail below the actions that you intend to take to reduce the identified impact.

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 to be provided to households	Stuart Anstead	
Impact on CTR households impacted by changes	<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)	Stuart Anstead	

	<p><b>Debt triage and benefits calculator tool:</b> A campaign was launched in April 2025, to help residents access benefits they may not currently be claiming, reducing reliance on CTR and improving financial resilience. At the same time we introduced 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-judgmental 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><li>• work with households to find a repayment plans that are affordable</li></ul>		
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	and adaptable if circumstances change		
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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 CTR 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 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**

How will you know if you have been successful? Once the activity has been implemented this equality impact assessment should be periodically reviewed to make sure your changes have been effective your approach is still appropriate

The new CTR scheme and the demands on mitigations such as the Hardship fund will be monitored to assess if further changes are required to the CT scheme for 2027/28.

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

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

All CTR 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 17 February 2026.