



HILLINGDON  
LONDON

## Equality and Human Rights Impact Assessment

### STEP A) Description of what is to be assessed and its relevance to equality

What is being assessed? Please tick ✓

Review of a service  Staff restructure  Decommissioning a service

Changing a policy ✓ Tendering for a new service  A strategy or plan

The London Borough of Hillingdon has reviewed its current Older People's Discount Scheme for Council Tax and are recommending closing the scheme to new entrants as part of the consideration of setting the Council's budget and the overall level of Council Tax from 1st April 2021 for the financial year 2021/22. Those households already receiving discounts will not be affected and will continue to receive the same level of cash discount in 2021/22 as they received in 2020/21.

Who is accountable? E.g. Head of Service or Corporate Director

Corporate Director of Finance

Date assessment completed and approved by accountable person

9 December 2020

Names and job titles of people carrying out the assessment

Iain Watters, Financial Planning Manager, Corporate Finance

A.1) What are the main aims and intended benefits of what you are assessing?

In February 2020 the Council confirmed the continuation of the Older People's Discount (OPD) for a further year into 2020/21, offered to residents aged over 65 who do not qualify for the Council Tax Reduction Scheme (CTRS). The CTRS provides approximately £4.8m of support to the most financially vulnerable with the OPD offering a further £1.7m of support. Given the ongoing COVID-19 pandemic the proposed budget for 2021/22 is predicated on closing the OPD to new entrants and freezing the cash value of discounts for those already in receipt of discounts in 2020/21 to reduce the ongoing cost of the scheme.

In 2020/21 the freeze on Council Tax increases for the over 65s was continued for one further year, with those turning 65 on or before 31 March 2019 receiving a 6.71% discount (£101.66 per annum for a Band D household) hereby referred to as Scheme 1, those turning 65 from 1 April 2019 onwards receiving a 3.12% discount (£47.27 per annum for a Band D household) hereby referred to as Scheme 2, and those turning 65 from 1 April 2020 onwards receiving a 1.36% discount (£20.60 per annum for a Band D household) hereby referred to as Scheme 3.

The CTRS supports the most financially vulnerable over 65 residents in the borough, applications to the OPD are only accepted by residents that are not eligible for the CTRS and therefore applicants for the OPD are not in the most financially vulnerable group. In addition, over 65 residents also benefit from other Government initiatives, such as the Triple Lock on the State Retirement Pension and the Freedom Pass within London.

The cost of the scheme was being covered by an Earmarked Reserve, with current projections forecasting the reserve to be depleted by the end of the current year, meaning any further costs associated with the continuation of the scheme would impact on the Council's Saving Requirement. Based on the current level of demand, this would increase the Saving Requirement by £2,009k and would need to be covered by either:

- additional savings
- a drawdown from General Balances
- an increase in Council Tax
- a drawdown from other repurposed earmarked reserves

These approaches have been considered as follows:

- the draft savings programme reflects the output of a programme of work to develop proposals, while dealing with the challenging impacts of COVID-19 on the Council, with limited scope to identify and implement additional savings in the time frame required for the 2021/22 or 2022/23 budgets. However, further savings could be identified from 2023/24 onwards.
- the use of General Balances would reduce the capacity of the Council to respond to emerging risks or pressures.
- The Council does have the option to move away from its current approach of increasing Council Tax to 90% of the uplifts applied by neighbouring

boroughs, however, increasing to 100% would only secure an additional £245k, which would not be sufficient to fund this discount.

- The Council does have the capacity to repurpose some earmarked reserves to fund the discounts for a defined period of time but as this would deplete finite resources does not represent a long term solution.

Having considered the options available, the Council is proposing to close the scheme to new entrants from 1 April 2021 but maintain the current cash discounts for those already in receipt of Council Tax discounts. By discontinuing the Scheme but protecting existing beneficiaries at 2020/21 levels the cost of the scheme in 2021/22 is reduced by £488k to £1,521k and will decline thereafter. It is proposed that the cost in 2021/22 and 2022/23 be funded from repurposed earmarked reserves and thereafter from efficiency savings.

A.2) Who are the service users or staff affected by what you are assessing? What is their equality profile?

In 2020, the population of London Borough of Hillingdon is projected to be 316,200, including 207,300 residents in the age group 15-64 and 42,500 aged 65 years and older. It is forecast that the 65-year plus group is likely to increase by 1,000 residents per year going into 2021. With approximately 5,300 residents aged over 65 being eligible for the CTRS, the most financially vulnerable residents of the borough are supported with their Council Tax liability.

In 2021/22, the gross Council Tax base is forecast to be 113,738 households who will be billed for Council Tax representing approximately 2.2 adults per household.

The Council Tax Discount for Older People under the current schemes per household amounts to £101.66 for a Band D property per annum for those in Scheme 1, £47.27 per annum for those in Scheme 2 and £20.60 per annum for those in Scheme 3 with the total cost of the annual scheme estimated to be £1,726k in 2020/21.

This equates to approximately 16,000 (15,100 in Scheme 1, 500 in Scheme 2 and 400 in Scheme 3) Band D equivalent households in the Borough currently receiving the OPD. These 16,000 households will see their existing cash discounts maintained for 2021/22 Council Tax bills, although they will see an uplift in their Council Tax in line with all other residents in the borough.

In addition to those already on the scheme, households who would have become eligible for the scheme in 2021/22 had it been continued will see the uplift in Council Tax bills consistent with all other residents in the borough.

As this discount is based upon only age as a determinant of receipt of the discount, no other groups fall within the assessment.

A.3) Who are the stakeholders in this assessment and what is their interest in it?

<b>Stakeholders</b>	<b>Interest</b>
The Leader of the Council, Mayor, Cabinet Members, all Councillors.	To deliver a balanced budget for 2021/22 in a fair and transparent way that does not place older people with a Council Tax liability into financial hardship.
Corporate Director of Finance.	To prepare a balanced budget for 2021/22 in a fair and transparent way that does not place older people with a Council Tax liability into financial hardship.
Residents aged over 65 who have a Council Tax liability	That discontinuing the OPD Scheme does not place this group into financial hardship.
Residents who will be 65 years or over on 31 <sup>st</sup> March 2018 who have a Council Tax liability.	That discontinuing the OPD Scheme does not place this group into financial hardship.
Residents who will be 65 years or over on 31 <sup>st</sup> March 2019 who have a Council Tax liability.	That discontinuing the OPD Scheme does not place this group into financial hardship.
Residents who will become 65 by 31 <sup>st</sup> March 2020 who have a Council Tax liability.	That discontinuing the OPD Scheme does not place this group into financial hardship.
Residents in the age group 16 to 64 years who have a Council Tax liability.	These residents do not receive the OPD, as they have not reached the age of 65 years on 31 <sup>st</sup> March 2020 and are therefore not eligible, however they would receive the discount when they reach 65 if the scheme continued.

A.4) Which protected characteristics or community issues are relevant to the assessment? ✓ in the box.

Age	✓	Sex	
Disability		Sexual Orientation	
Gender reassignment			

Marriage or civil partnership		Carers	
Pregnancy or maternity		Community Cohesion	
Race/Ethnicity		Community Safety	
Religion or belief		Human Rights	

## **STEP B) Consideration of information; data, research, consultation, engagement**

B.1) Consideration of information and data - what have you got and what is it telling you?

As the OPD is based upon age and the applicant not qualifying for CTRS, the closure of the scheme to new applications will not impact on any other group.

The negative impact will be upon Council Tax payers who are 65 years or older at 31 March 2021, who will no longer be protected from Council Tax increases levied on all other households in the borough. For the 2021/22 financial year this increase equates to £21.29 per annum for the LBH share of Council Tax on a Band D Property. Those households already enrolled in the scheme will maintain their existing cash discounts, ranging from £20.60 per annum to £101.66 per annum for a Band D property.

The CTRS currently supports approximately 5,300 claimants at a cost of £4,837k.

A prerequisite of awarding the OPD is that the resident is not eligible for Council Tax Support.

This implies that the recipients of the benefit are not deemed to be the most financially vulnerable residents, with 52% of the recipients in a Band E property or higher (a more expensive property), compared to 30% of total households across the borough.

The closure of this scheme to new entrants is therefore considered to have a potentially limited negative impact on the financial wellbeing of the recipients of this benefit, particularly given that existing discounts will be continued.

## **Consultation**

B.2) Did you carry out any consultation or engagement as part of this assessment?

Please tick ✓

NO

YES ✓

The Council will publish its 2021/22 budget proposals, predicated on the cessation of the OPD following agreement by the Cabinet Meeting on the 10 December 2020 to consult with the wider public on these proposals during the remainder of December 2020 and January 2021. Any comments / feedback on these proposals will be reported to Cabinet in February 2021 prior to the full Council meeting that will set the Band D Council Tax level for 2021/22.

B.3) Provide any other information to consider as part of the assessment

Legal context

Councillors have a legal requirement to set a balanced budget for the Council in each financial year including a Band D equivalent Council Tax amount that will contribute to the funding of expenditure and enable the agreement of a balanced budget. The proposed budget for 2021/22 is predicated on the closure of the discount to new entrants from 1 April 2021.

National and statutory discounts

The CTRS is statutory for over 65's but The OPD is neither statutory nor a national requirement.

### C) Assessment

What did you find in B1? Who is affected? Is there, or likely to be, an impact on certain groups?

C.1) Describe any **NEGATIVE** impacts (actual or potential):

<b>Equality Group</b>	<b>Impact on this group and actions you need to take</b>
Residents not meeting the criteria for the means tested CTRS who will be 65 years or over on 31 March 2021 and who have a Council Tax liability	This group of residents will be liable to pay the proposed 2021/22 Council Tax increase in line with all other residents. However, any financially vulnerable resident will have the Council Tax Support Scheme available to them, offering a discount of up to 100%.

C.2) Describe any **POSITIVE** impacts

<b>Equality Group</b>	<b>Impact on this group and actions you need to take</b>
None	No positive impacts have been identified for any other group

## D) Conclusions

The proposal to cease the OPD will result in approximately 16,000 households occupied by residents over 65 who will become liable for the annual increase in Council Tax in line with other residents in the borough.

A safety net in the form of the CTRS exists to support any residents who may be potentially financially negatively affected by this proposal.

Continuing to bring new households into the scheme and increasing the level of discount available would increase the Council's Saving Requirement, which will need to be addressed through further savings and/or an increased drawdown against General Balances, neither of which are deemed financially viable in the longer term, particularly given the ongoing financial impacts of COVID-19 on the Council.

Signed and dated: *Iain Watters* 9 December 2020

Name and position: Iain Watters, Financial Planning Manager