

West Surrey Council Tax Reduction Harmonisation

Pre-consultation Draft Scheme Equality Impact Assessment

September 2026 | Consultation stage | Draft for approval to consult

Status: live consultation-stage EIA. It supports the decision on whether to publish the draft West Surrey working-age CTR scheme for consultation. It is not the final EIA. Consultation evidence, refreshed modelling, the detailed transitional-protection class, final NDD treatment, and legal and operational assurance will inform the assessment presented with the final scheme recommendation.

1. Public Sector Equality Duty and decision stage

Section 149 of the Equality Act 2010 requires a public authority, when exercising its functions, to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation; advance equality of opportunity between people who share a protected characteristic and those who do not; and foster good relations. The duty applies while policy is being developed and when decisions are taken, and continues after implementation.

The relevant decision at this stage is whether to approve a sufficiently defined draft scheme for statutory consultation, not whether to adopt the final 2027/28 working-age scheme. Consultation evidence, refreshed modelling and the final Equality Impact Assessment must therefore be considered before the final decision.

This assessment identifies positive and adverse effects already visible in the current evidence; tests whether impacts are unevenly distributed across protected characteristics and related household groups; records provisional mitigations and evidence gaps; and identifies matters that require consultation or further modelling before the final scheme is determined.

PSED implication for this stage: the current modelling identifies material and uneven adverse effects, particularly for households carrying disability-related markers. Approval to consult would not amount to a conclusion that those effects are justified, proportionate, or fully mitigated.

2. Draft scheme and evidence base

The draft working-age scheme combines an 85% maximum award with no separate protected-group maximum, a Band D Council Tax cap, a £6,000 capital cliff edge with no lower tariff-income band, a 20% excess-income taper, and a flat £10 weekly non-dependant deduction. No minimum award is proposed. The wider consultation framework also proposes a common Universal Credit approach and change buffer, a Minimum Income Floor after a 12-month start-up period, up to three months backdating, no working-age Second Adult Rebate, and time-limited transitional protection for an objectively defined class affected by structural harmonisation.

Measure	Headline draft-scheme model
Current working-age caseload	12,174 households
Modelled existing CTR expenditure	£19.435m a year
Draft-scheme CTR expenditure	£16.301m a year
Residual Council Tax billed	£7.179m a year
Households gaining	1,349 (11.1%)
Households experiencing a loss	10,683 (87.8%)
Households broadly unchanged	142 (1.2%)

The headline model is a static comparison of current claimants and uses existing Council Tax liabilities rather than preliminary harmonised Council Tax rates. It does not yet model the proposed Minimum Income Floor, the

operational effect of the UC change buffer, the final treatment of NDD exemptions, the removal of Second Adult Rebate cases, or the detailed class, duration and erosion rules for transitional protection.

The modelled existing scheme is used as the comparator because this isolates policy change from modelling fit. The current data is a snapshot rather than a forecast of future take-up, caseload churn or claimant behaviour.

A reduction in CTR expenditure is additional Council Tax liability billed to low-income households, not guaranteed additional collected income. Collection, arrears, recovery, hardship, write-off and behavioural responses remain relevant to both financial and equality effects.

3. Equality effects: positive and adverse

The draft scheme produces a predominantly adverse change in the current caseload, but the effect is not uniform. Legacy starting point, disability-related treatment, household composition, work status, income, non-dependants, capital and property band all influence the result.

Positive or potentially positive effects already visible

- 1,349 households gain by more than £1 a month. Gains are concentrated in Runnymede (512), Spelthorne (591) and Surrey Heath (226), reflecting differences between the proposed common rules and those legacy starting points.
- Younger claimants have a less adverse balance than older groups: 124 of 527 households aged 18-25 gain (23.5%), compared with 8.3% of households aged 56-65.
- Among the 198 households with recorded monthly income between £1 and £500, 94 gain (47.5%) and 101 lose (51.0%). This is a mixed effect and the recorded income field is not an equivalised poverty measure.
- Three-month backdating and the proposed UC change buffer may improve access and bill stability for some households, although those administrative provisions cannot be captured in the static headline model.

Adverse and unevenly distributed effects

- 10,683 households lose more than £1 a month under Option 4, representing 87.8% of the current caseload. Among material losses, the average loss is £26.65 a month and the median loss is £21.47 a month.
- The 85% maximum is itself a major loss mechanism. Compared with modelled Option 1, which uses the same core means-tested rules but a 100% maximum, Option 4 reduces CTR by about £3.333m a year and 11,822 households receive less CTR.
- Disability-related impacts are strongly concentrated. Of 2,888 households in model-derived disability categories, 2,836 lose (98.2%), 43 gain (1.5%) and 9 are broadly unchanged. These categories are derived from legacy premium markers and are not a complete measure of disability across the caseload.
- The £10 NDD is an additional risk. 811 losing households have an NDD increase of more than £1 a month compared with the modelled existing scheme; 492 of those households (60.7%) carry a model-derived disability marker.
- The £6,000 capital cliff edge removes current entitlement entirely for 149 existing recipients with recorded capital above £6,000 and up to £16,000. Of those, 56 carry a disability marker and 123 are recorded as out of work.
- The Band D cap has a material isolated effect on an estimated 785 current cases. Within that cohort, 492 households include children and 189 carry a disability marker. The isolated gross effect is approximately

£382,000 a year, but it overlaps with other scheme changes and should not be added mechanically to the other impact figures.

- In-work households have a slightly higher loss rate than out-of-work households (90.6% compared with 86.7%). The proposed MIF could create additional self-employed impacts that are not yet modelled.

4. Protected characteristics and related evidence

Characteristic	Current evidence	Assessment
Age	18–25: 124 gains (23.5%) / 399 losses (75.7%). 26–35: 328 gains (14.6%) / 1,902 losses (84.8%). 36–45: 337 gains (11.2%) / 2,648 losses (88.1%). 46–55: 263 gains (9.3%) / 2,530 losses (89.2%). 56–65: 297 gains (8.3%) / 3,204 losses (90.0%).	Loss rates rise from 75.7% among 18-25 year olds to 89.9% among 56-65 year olds. Age is therefore relevant to distributional impact, although legacy area and household circumstances also influence the result.
Disability	2,888 households (23.8% of the caseload) fall within model-derived household disability categories: 43 (1.5%) gain, 2,836 (98.2%) lose and 9 households are broadly unchanged. 492 of 811 (60.6%) NDD-increase-driven losses carry a disability marker.	The current model shows a pronounced adverse effect. The marker is derived from legacy premium flags and is incomplete, so the result should be treated as strong evidence of risk rather than a complete count of disabled claimants. Final assessment requires fuller equality data, consultation evidence and review of NDD treatment.
Sex	Direct claimant sex is not reliable in the modelling data. Of the 3992 lone-parent households in the caseload: 600 (15%) gain, 3,346 (83.8%) lose and 46 (1.2%) are broadly unchanged. National evidence shows women predominate among lone-parent families.	Potential indirect sex impact is material because lone parents are a third of the West Surrey caseload. Household type is not a substitute for claimant sex, so final analysis should combine direct equality data where available with consultation and national context.
Pregnancy / maternity	No reliable direct flag is available. Maternity income, childcare, the arrival of a child and household change can alter CTR entitlement.	Potential effects arise through income assessment, the Band D cap, household allowances, backdating and the MIF. Consultation evidence will be important and neutrality should not be assumed simply because the administrative data is limited.
Race / religion or belief	No reliable claimant ethnicity or religion fields are available. Multigenerational living can interact with non-dependant deductions, but household structure is not evidence of race or belief.	Potential indirect impact cannot be inferred safely from household structure. Use consultation and contextual demographic evidence, and avoid speculative proxies.
Gender reassignment / sexual orientation	No direct calculation rule or reliable claimant data has been identified.	No differential award effect is evidenced at this stage. Privacy, accessibility, confidence in consultation and service access remain relevant.
Marriage / civil partnership	Legal marital or civil-partnership status is not recorded. Couple households total 1,878: 185 gain, 1,616 lose and 77 are broadly unchanged.	Couple status affects the means test but should not be treated as a proxy for legal marriage or civil partnership. Review couple outcomes for consistency and use direct equality evidence where available.

5. Other distributional factors relevant to equality

Factor	Evidence	Equality relevance
Families with children	5,010 households in the caseload: 724 (14.5%) gain, 4,228 (84.4%) lose and 58 (1.2%) are broadly unchanged. An estimated 492 of the 785 cases materially affected by the Band D cap include children.	Losses are widespread rather than confined to families, but the Band D cap is concentrated among households with children. Household size, property requirements and childcare or earnings interactions should be tested through consultation and final modelling.
Work status	In work: of a total caseload of 3,262, 236 (7.3%) gain, 2,955 (90.5%) lose, 71 (2.2%) broadly unchanged. Out of work: of a total caseload of 8,912, 1,113 (12.5%) gain, 7,728 (86.7%) lose, 71 (0.8%) broadly unchanged.	Loss rates are high for both groups and higher for in-work households. The proposed MIF may add a distinct self-employed effect that is not yet modelled.
Non-dependants	2,060 households (17% of the caseload) have at least one non-dependant. 811 households see a loss to their CTR under the draft scheme; 492 (60.7%) carry a disability marker.	The interaction with disability is a central equality risk. The current draft does not add local protected NDD categories. Final legal drafting and consultation should test whether further safeguards are required.
Capital	149 current recipients have recorded capital above £6,000 and up to £16,000. All 149 become nil-entitled under Option 4; 56 carry a disability marker and 123 are out of work. Their current awards are worth approx. £233,000 a year.	The £6,000 cliff edge produces a complete loss of entitlement for a small but identifiable group and disability is over-represented within it relative to the caseload as a whole.
Council Tax Band D cap	831 current records are in Bands E-H. This represents 6.8% of the total caseload. Within this cohort, 492 (59.2%) are households with children and 189 (22.7%) carrying a disability marker.	The cap affects a minority of the caseload but can create substantially higher residual bills in higher bands. Family concentration is relevant to indirect equality impact; adapted or otherwise necessary larger properties should be explored through consultation evidence.
Self-employment / MIF	A MIF based on 35 hours at the applicable NMW after a 12-month start-up period is proposed but is not included in the current headline model.	The rule may reduce support where actual business earnings remain low. Equality effects, including disability, caring and pregnancy/maternity interactions, require consultation and refreshed modelling.
UC change buffer	The draft proposes a £100 / 50-day tolerance in changes of UC with a claimant request route.	Potential positive effect through bill stability and lower administrative burden; potential adverse effect where a beneficial change is delayed. The request route and accessible communications are important safeguards.
Second Adult Rebate	Spelthorne currently retains working-age Second Adult Rebate; the draft common scheme does not. Current recipients have not yet been separately identified in the headline model.	Potential impact is currently unquantified and should be identified before final approval, including any interaction with older working-age households and non-dependant arrangements.

6. Transitional protection, consultation, and final decision

The draft proposes time-limited transitional protection for an objectively defined class or classes of existing claimants affected by structural harmonisation. This is distinct from protecting households simply because the common scheme has an 85% maximum. The statutory CTR framework requires the scheme to define classes of persons and the reductions applying to them, so the final transitional design must be expressed through a legally robust class-based rule rather than an informal promise to offset individual losses.

The clearest structural transition identified in the current data is movement from an income-banded or non-taper legacy assessment to the common taper-based means test. The current model identifies 1,917 Runnymede records and 1,396 Surrey Heath records moving from a non-taper existing calculation to a taper-based common

calculation: 3,313 records in total. This identifies a potential structural class; it does not mean that every household in that class should receive protection, and the final class definition, duration and erosion rules require further modelling.

The consultation is part of the equality evidence-gathering process. It should ask about the principal scheme features, circumstances requiring additional protection, the operation of transitional protection, and unintended consequences. Optional equality, household, income and legacy-area information should allow responses to be examined for different effects between groups and places.

Before the final scheme decision, the EIA should be updated with refreshed modelling, the final NDD and MIF rules, identified Second Adult Rebate impacts, the proposed transitional-protection class and cost, consultation evidence, equality-group responses, and any revised mitigations or alternatives.

Consultation-stage assessment

The current evidence identifies substantial equality risks alongside more limited positive effects. The scale of loss under the 85% maximum is broad across the caseload, while some mechanisms create more concentrated risks.

Disability-related households are the clearest concern in the current data: 98.2% of households within the model-derived disability categories lose, and disability markers are heavily represented among NDD-related losses. The capital cliff edge and Band D cap also create identifiable distributional effects.

These findings do not mean that every adverse effect is unlawful or that the draft scheme cannot proceed to consultation. They do mean that the final decision will require a clear account of the policy objectives, the evidence for the chosen parameters, the alternatives considered, the distribution of impacts, and the adequacy of mitigation.

The current evidence is sufficient to identify the principal issues on which meaningful consultation and further analysis are required. It is not sufficient to reach the final judgement on residual adverse effects.

Appendix A. Legacy-area distribution and sources of change

Legacy area	Caseload	Gains	Losses	Broadly unchanged
Guildford	1,750	13 (0.7%)	1,733 (99.0%)	4 (0.2%)
Runnymede	1,993	512 (25.7%)	1,428 (71.7%)	53 (2.7%)
Spelthorne	2,545	591 (23.2%)	1,919 (75.4%)	35 (1.4%)
Surrey Heath	1,409	226 (16.0%)	1,154 (81.9%)	29 (2.1%)
Waverley	2,265	1 (<0.1%)	2,243 (99.0%)	21 (0.9%)
Woking	2,212	6 (0.3%)	2,206 (99.7%)	0
West Surrey	12,174	1,349 (11.1%)	10,683 (87.8%)	142 (1.2%)

The legacy pattern is uneven. Guildford, Waverley and Woking move from existing 100% maximum schemes to the 85% common maximum and therefore show near-universal losses. Runnymede, Spelthorne and Surrey Heath combine gains and losses because their current maximum awards and assessment architectures differ more substantially from the draft common scheme.

Legacy area	Current starting point most relevant to Option 4	Equality / transition point to watch
Guildford	100% maximum; Band E capped at D; no support in F-H; £6,000 capital cliff edge.	Near-universal loss is principally associated with the lower 85% maximum. Existing disability-related premiums remain relevant to the means test but do not preserve a 100% maximum.
Runnymede	Hybrid scheme: UC income bands, taper for other cases; 80% maximum and 90% for a defined vulnerable group; higher capital protection for that group.	Mixed gains and losses. The banded-to-taper transition and removal of the existing vulnerable-group maximum/capital protection require particular equality attention.

Legacy area	Current starting point most relevant to Option 4	Equality / transition point to watch
Spelthorne	75% standard maximum; 90% Class G protected group; no band cap; £16,000 capital limit with tariff income.	Many households gain from the higher standard maximum, while disability/capability groups can lose existing protection. The new Band D cap and £6,000 capital cliff are additional risks.
Surrey Heath	Income-banded 95%, 80%, 60% or 40%; Band D cap; £6,000 capital cliff edge.	Structural move from bands to taper redistributes support in both directions. This is a principal class-based transitional-protection issue.
Waverley	100% maximum; Band D cap; £16,000 capital limit with tariff income.	Near-universal loss from the 85% maximum, with additional capital losses for households above £6,000.
Woking	100% maximum; Band D cap; £10,000 capital limit with tariff income.	Near-universal loss from the 85% maximum, with additional capital losses for households above £6,000.

Appendix B. Equality and income distribution tables

Group	Caseload	Gains	Losses	Broadly unchanged
Age 18-25	527	124 (23.5%)	399 (75.7%)	4 (0.8%)
Age 26-35	2,243	328 (14.6%)	1,902 (84.8%)	13 (0.6%)
Age 36-45	3,005	337 (11.2%)	2,648 (88.1%)	20 (0.7%)
Age 46-55	2,837	263 (9.3%)	2,530 (89.2%)	44 (1.6%)
Age 56-65	3,562	297 (8.3%)	3,204 (89.9%)	61 (1.7%)
Disability marker	2,888	43 (1.5%)	2,836 (98.2%)	9 (0.3%)
No disability marker	9,286	1,306 (14.1%)	7,847 (84.5%)	133 (1.4%)
In work	3,262	236 (7.2%)	2,955 (90.6%)	71 (2.2%)
Out of work	8,912	1,113 (12.5%)	7,728 (86.7%)	71 (0.8%)
Households with children	5,010	724 (14.5%)	4,228 (84.4%)	58 (1.2%)
Single adults	6,304	564 (8.9%)	5,721 (90.8%)	19 (0.3%)

Recorded monthly household income

Recorded monthly income	Caseload	Gains	Losses	Broadly unchanged
£1-£500	198	94 (47.5%)	101 (51.0%)	3 (1.5%)
£500-£1,000	452	105 (23.2%)	342 (75.7%)	5 (1.1%)
£1,000-£1,500	1,022	183 (17.9%)	830 (81.2%)	9 (0.9%)
£1,500-£2,000	1,564	241 (15.4%)	1,303 (83.3%)	20 (1.3%)
£2,000-£2,500	2,116	269 (12.7%)	1,821 (86.1%)	26 (1.2%)
Over £2,500	6,822	457 (6.7%)	6,286 (92.1%)	79 (1.2%)

Income note: these are bands of the recorded monthly household income field in the current modelling dataset. They are not equivalised disposable-income quintiles and should be interpreted as a distributional indicator rather than a poverty measure.

Disability note: the model-derived disability categories are constructed from legacy means-tested premium markers. They do not identify every disabled claimant or every disability-related benefit and should not be treated as a complete equality dataset.

Sources: West Surrey working-age CTR modelling extracts (31 July and 19 August 2026); Draft West Surrey CTR Comparative Analysis; West Surrey consultation draft policy framework; Equality Act 2010, section 149; Local Government Finance Act 1992, section 13A and Schedule 1A; ONS, Families and households in the UK: 2025. Figures are consultation-stage modelling snapshots and should be refreshed before the final scheme decision.