

Durham County Council – Altogether Better equality impact assessment form

NB: Equality impact assessment is a legal requirement for all strategies plans, functions, policies, procedures and services. We are also legally required to publish our assessments.

You can find help and prompts on completing the assessment in the guidance from page 7 onwards.

Section one: Description and initial screening

Section overview: this section provides an audit trail.

Service/team or section: Revenues & Benefits Service

Lead Officer: Kevin Coad

Start date: 18 July 2012

Updated August 2012

Subject of the Impact Assessment: (please also include a brief description of the aims, outcomes, operational issues as appropriate)

Technical reforms of council tax – Exemptions relating to Empty Unfurnished Properties

Council Tax legislation has given Local Authorities the discretion to reduce/remove the existing 50% discount on long term empty/unfurnished properties since 2004. In October 2011 proposals to remove/reduce the 50% discount on long term empty/unfurnished properties were impact assessed ahead of the decision to implement. Council tax exemptions are governed by specific legislation and any changes apply to all landlords or those with responsibility for council tax bills.

Under new technical reforms to council tax Durham County Council is now considering proposals to change the discounts for three classes of empty property and second homes and apply an additional charge to long term empty properties from April 2013. The changes would apply to properties which are:

Class A – empty, unfurnished and undergoing major restructural work to make them habitable. Currently there is a 12 month exemption from council tax which is then charged at 100%.

Class C – empty and unfurnished. Currently there is a 6 month exemption from council tax which is then charged at 100%.

Class L – repossessed and unoccupied. Currently there is an indefinite exemption.

Council tax on second homes which is currently discounted by 10% would be charged at 100%.

Long term empty properties (i.e. empty for two years or more) currently receive no discount on council tax but the proposal is to charge a premium of 150% of the applicable council tax.

Who are the main stakeholders: General public / Employees / Elected Members / Partners/ Specific audiences/Other (please specify)

- Local Authority & LSVT Landlords
- Social Landlords including RSL & private Landlords
- individuals

Is a copy of the subject attached? No
If not, where could it be viewed? Cabinet report

Initial screening

Is there an actual/potential negative or positive impact on specific groups within these headings?

Indicate :Y = Yes, N = No, ?=Unsure

Gender	?	Disability	?	Age	?	Race/ethnicity	?	Religion or belief	?	Sexual orientation	?
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There is potential for financial impact on some individuals where they will be required to pay more or are exempt for shorter periods. However there is limited evidence available relating to individuals so it is not possible to specify which equality groups are particularly affected.

Some empty properties may be owned by individuals from particular equality groups but there is no evidence to assess whether some groups are more likely to own properties under these exemptions than other groups. There are some sources of evidence which can be used to make assumptions, for example in relation to Class L exemptions for repossessions, these are considered in Section Two.

What evidence do you have to support your findings?

Figures relating to the number of awards in 2011/12

Class of Exemption	£000	No. of Awards
Class A	488	1,116
Class C	4,682	24,896
Class L	272	727
Second Homes	224	4,597
Long Term Empty	1,200	1,861
Total	6,866	33,197

Note: The figures for awards in Class C may include multiple awards on the same property, for example where a property is empty and unfurnished between lettings.

Those claiming exemptions will include Registered Social Landlords, other organisations and charities, private landlords and individuals.

For example, Registered Social Landlords made up the following proportions of the awards made under Classes A and C in 2011/12:

Class A – 1.97%

Class C – 22.13%

It is likely that individual owners will make up a significant proportion of those affected by Class L exemptions, a high proportion of those with second homes are also likely to be individual owners whilst those in Classes A and C would include private landlords and developers, as well as individual owners. Previous information shows that private landlords are most likely to own long term empty properties, this could include individuals as well as developers, commercial and absentee landlords but it is not possible to determine this from the data available. Equality monitoring information is not collected from those claiming exemptions and therefore it is not possible to quantify the actual/potential positive or negative impact on specific groups. The proposals will apply to all landlords, private and social and in some cases can be viewed as increasing a business charge but for some individual owners, particularly in the case of repossessions and long term empty properties, may increase financial burdens.

Decision: Proceed to full impact assessment – Yes

Date: 18.7.12

If you have answered 'No' you need to pass the completed form for approval & sign off.

Section two: Identifying impacts and evidence- Equality and Diversity

Section overview: this section identifies whether there are any impacts on equality/diversity/cohesion, what evidence is available to support the conclusion and what further action is needed.			
	Identify the impact : does this increase differences or does it aim to reduce gaps for particular groups?	Explain your conclusion, including relevant evidence and consultation you have considered.	What further action is required? (Include in Sect. 3 action plan)
<p>Impacts: The likely impacts of the changes are financial through increased costs either directly, in relation to Classes A and C or second homes and long term empty properties, or via bank charges in relation to Class L. Changes to Class L are more likely to affect people who are vulnerable and already experiencing financial hardship. Increased costs or financial hardship can also affect housing status, health and wellbeing or result in legal proceedings.</p>			
Gender	<p>There is no evidence to suggest a gender difference in relation to Class A or C exemptions or second home discounts and increased charges for long term empty properties.</p> <p>Class L exemptions: There is national evidence which suggests women are more likely to suffer financial hardship and have their home repossessed as a</p>	<p>National evidence in relation to repossessions from Shelter and care/employment from Equality & Human Rights Commission Triennial review.</p> <p>Local data suggests that women are more likely to receive homelessness support as a result of mortgage arrears or repossession. In 2011/2012 almost 73% of cases were female.</p>	<p>Ensure advice and guidance on financial support and debt management is available through appropriate channels and targeted more effectively at lone women, including work with charities and voluntary advice agencies.</p>

	<p>result of relationship changes such as divorce, separation or death of a partner. In addition women are more likely to have care responsibilities which limit their employment opportunities and income. Local evidence on homelessness also suggests that a higher number of women are supported due to repossessions.</p> <p>There is no evidence to indicate an impact in relation to transgender status.</p>		
Age	<p>There is no direct evidence to suggest particular age impacts of the proposed changes to exemptions and discounts.</p> <p>Class A and C exemptions, second homes and long term empty property charges: Whilst there is no local evidence to show an age difference there may be</p>	<p>National evidence on employment from Equality & Human Rights Commission Triennial review.</p> <p>Local data suggests that those in the mid range of working age are more likely to receive homelessness support as a result of mortgage arrears or repossession. In 2011/2012 over 95% of cases were aged 25 to 59 years with the majority aged 25-44.</p>	<p>Ensure advice and guidance on financial support and debt management is available through appropriate channels, including work with charities and voluntary advice agencies.</p>

	<p>potential impacts for those who inherit property from older deceased relatives and are unable or unwilling to sell or rent, typically this is likely to be those aged over 50.</p> <p>Class L exemptions: National evidence shows that those in their fifties are least likely to find new employment if they lose a job. This may increase the risk of repossessions though local evidence suggests those aged 25-44 are most likely to receive homelessness support as a result of mortgage arrears or repossession.</p>		
Disability	<p>There is no direct evidence of an impact in relation to disability however there may be potential in relation to exemption under Class L, for example when an individual has lost their employment or income as a result of disability and is unable to keep up with</p>	<p>Local homelessness data shows that in 2011/2012 almost 41% of cases were individuals with a disability, the majority stating a mental condition, which could reflect the health impacts of financial hardship.</p>	<p>Ensure advice and guidance on financial support and debt management is available through appropriate channels and targeted more effectively at</p>

	repayments.		disabled people, including work with charities and voluntary advice agencies.
Race/Ethnicity	No evidence is available at this stage to indicate an impact in relation to race or ethnicity.		
Religion or belief	No evidence is available at this stage to indicate an impact in relation to religion or belief.		
Sexual orientation	No evidence is available at this stage to indicate an impact in relation to sexual orientation.		

How will this promote positive relationships between different communities?
Residents often regard empty properties as having a negative effect on communities, where these measures encourage earlier occupancy this may have a positive impact.

Section three: Review and Conclusion

Summary: please provide a brief overview, including impact, changes, improvements and any gaps in evidence.

Impacts:

The likely impacts of the changes are financial through increased costs either directly, in relation to Classes A and C or second homes and long term empty properties, or via bank charges in relation to Class L. Some of those affected by changes in Classes A and C or through long term empty properties will be organisations and private landlords operating for profit. Changes to Class L are more likely to affect people who are vulnerable and already experiencing financial hardship. Increased costs or financial hardship can also affect housing status, health and wellbeing or result in legal proceedings.

Equality data is not collected in relation to these exemptions and discounts so evidence of impact is limited, national evidence from the Equality & Human Rights Commission and Shelter as well as local data in relation to homelessness were considered during the assessment.

National and local evidence suggests that lone women and those in the mid working age ranges may be more affected by changes to Class L as they are potentially at greater risk of repossession. There is no direct evidence of impact in relation to other protected characteristics or exemptions though some disabled people who lose their employment or income may be at risk of repossession as alternative opportunities may be limited and typically those aged over 50 may be affected by Exemption Classes A and C or long term empty property charges where they have inherited a property from an older relative and are unable or unwilling to sell or rent it.

Mitigating actions:

Hardship support - Legislation gives the Council power to reduce the amount of tax payable. This power can be utilised to offset potential hardship that may be caused by the change in respect of unoccupied and unfurnished properties. In cases of demonstrable financial hardship, discounts can be granted where the local authority is satisfied that the liable person of an empty domestic property has made their best efforts to sell or let the property and to levy a council tax charge would cause exceptional financial hardship. This discretionary power would alleviate any problems in exceptional cases.

Effective advice and guidance – Working in partnership with charities and voluntary/community sector

organisations to improve personal financial and debt management would support some individuals with protected characteristics who may be more likely to seek advice from these agencies. Some council services are already providing support to vulnerable people, for example in 2011/2012 18 cases of homelessness were prevented through mortgage arrears intervention or Mortgage Rescue Scheme.

Remaining exemptions – There is a range of exemptions which will continue to apply, including properties where the individual has gone into a hospital or care home, has moved to another residence to receive or provide care or has died. These would continue to mitigate the financial impact on vulnerable people.

Action to be taken	Officer responsible	Target Date	In which plan will this action appear
Ensure advice and guidance on financial support and debt management is available through appropriate channels, including work with charities and voluntary advice agencies to target particular groups more effectively including lone women or people with a disability who may be at risk of financial hardship.	TBA	TBA	
Review existing Hardship Relief Policy to identify relevant changes or extensions to support fair and equal access.	Kevin Coad	Start date – Sept.2012 Deadline - TBA	
Develop a communication plan to ensure vulnerable groups and advice agencies are aware of the Hardship Relief Policy	Kevin Coad	TBA	
Monitor applications for Hardship Relief to gather and analyse equality profile data in order to review its effectiveness as a mitigating action.	Kevin Coad	TBA	
When will this assessment be reviewed?	Date: December 2012 ahead of Cabinet report.		

Are there any additional assessments that need to be undertaken in relation to this assessment?	
Lead officer - sign off: Kevin Coad	Date: 16.8.12
Service equality representative - sign off: Bev Stobbart	Date: 16.8.12

Please email your completed Impact Assessment to the Equality team - equalities@durham.gov.uk.