

DRAFT DoF Screening – *Removal of Maximum Capital Value*

Screening is the first of two methods by which the necessary level of “regard” is demonstrated as being paid to the statutory equality goal, as set out in Section 75 of the Northern Ireland Act 1998. The DoF Equality Scheme commits us to screening our policies. This includes our strategies and plans, policies, legislative developments; and new ways of working such as – the introduction, change or end of an existing service, procedure, policy etc.

This screening template is designed to help business areas consider the likely equality and human rights impacts of their proposed decisions on different groups of customers, service users, staff and visitors.

Detailed information about the Section 75 equality duties and what they mean in practice is available on the Equality Commission’s website:
<http://www.equalityni.org/ECNI/media/ECNI/Publications/Employers%20and%20Service%20Providers/S75GuideforPublicAuthoritiesApril2010.pdf>

A copy of the Screening Template, for each policy screened, should be ‘signed off’ and approved by a senior manager responsible for the policy, made accessible on the DoF website as soon as possible following completion and made available in alternative formats on request.

All Section 75 consultees should be advised of the screening exercise once the final policy decision has been taken.

The screening template has 4 sections to complete. These are:

Section A - details about the policy / decision that is being screened.

Section B - 4 key questions that require you to outline the likely impacts on equality groups, and all supporting evidence.

Section C - 4 key questions in relation to obligations under the Disability Discrimination Order and the Human Rights Act.

Section D - the formal record of the screening decision.

SECTION A

Information about the policy

This stage of the screening process involves scoping the policy under consideration. The purpose of policy scoping is to help prepare the background and context and set out the aims and objectives for the policy being screened. At this stage, scoping the policy will help identify potential constraints as well as opportunities and will help the policy maker work through the screening on a step-by-step basis.

Remember that the Section 75 statutory duties apply to internal policies (relating to people who work for us) as well as external policies (relating to those who are, or could be, served by us).

Is this a new or revised policy?

This proposal is a revision to an existing policy.

a) Name of the policy

Increase of the Maximum Capital Value (the cap) to a level of £485,000

b) Brief Description of the policy

All domestic properties here are valued based on their Capital Value (CV) i.e., the amount a domestic property could reasonably have sold for as a freehold property on the open market on 1 January 2005.

Following reforms to the domestic rating system in 2007, a maximum capital value or 'cap' was introduced by Direct Rule Ministers. The maximum capital value for rating purposes was initially set by Westminster at £500,000 to align the highest bills under the domestic rating system here with the highest bills in the highest band within the Council Tax system.

In April 2009, after further review and consultation on the issue, the NI Assembly reduced the cap to £400,000.

Any consideration of policy around the cap will inevitably involve striking a balance on a number of taxation policy issues and many of these pertain to impact, both at a financial level and how that manifests itself in the requirements to consider wider impacts.

c) Aims of the policy/ Rationale behind the changes

It is the Department's view, and the statutory intent of the legal framework underpinning the tax, that the domestic rating system must, as far as is reasonable, apply the principle that everyone pays in direct proportion to the value of their home.

It is a fact that the application of the current £400,000 cap means that those in houses with a higher value currently pay proportionately less than those in middle or lower value homes.

To raise increased amounts of revenue through general regional rate uplifts as opposed to implementing any upward adjustment in the maximum capital value has the effect of exacerbating this regressive trait.

While this regressive trait remains, the proposed change to the policy of increasing the cap level to £485,000 means it is moderately alleviated through the proposed increase.

A previous public consultation (7 Nov 2023 to 13 Feb 2024) focused on revenue raising. It is however the view of the Department that removing the cap in its entirety would impact on the broader tolerance of the tax, with the creation of rate bills (based on current poundages) in excess of £25,000 per annum. This would also raise issues about the reasonableness of that approach in taxation terms.

The proposed policy change aims to elevate the cap so that the highest bills in the NI domestic rating system are aligned with the current highest level of tax within the Council Tax system as it currently applies across England, Scotland and Wales.

The highest Council Tax assessment resulting from the banded system of values that applies in England, Scotland and Wales in 2024/25 is £5,435. The proposed elevation of the maximum capital

value to £485,000 when applied to the NI poundage rates for 2024/25 would have resulted in a highest bill of £5,389.

d) Who will the policy affect?

This policy revision will affect domestic ratepayers occupying properties subject to the application of the current maximum capital value of £400,000.

e) Is this a NICS wide policy?

N/A

f) Who will implement the policy?

The Department of Finance has policy and legislation responsibility for the rating system.

g) Will this policy or revision address an existing inequality? Yes/No
If yes, please give details.

No.

h) Will this policy or revision benefit any Section 75 categories? Yes/No
If yes, please give details.

Yes. Increased revenue from the measure has the potential to benefit all s75 categories indirectly through greater ability of Govt Depts to meet Budget commitments. Alternatively, the additional revenue raised through this measure has the potential to moderate the level of regional rate increases across the overall domestic taxbase (in other words if the measure was not taken the revenue would be raised through a general elevation in the rate poundage).

i) Will this policy or revision have an adverse differential impact upon any of the Section 75 groupings? Yes/No. If yes, please give details.

No. There is currently no evidence that the policy revision will have an adverse differential impact on any of the section 75 groupings.

The Department is however seeking further views in relation to the disability category under section 75. As part of the analysis undertaken as part of the EQIA screening exercise we have assessed those within the rating taxbase where the maximum capital value of £400,000 currently applies, and cross-referenced these against those properties in receipt of the Disabled Persons Allowance within the rating system.

The Disabled Persons Allowance applies a 25 per cent discount in rates for any household where a person with a disability lives and the property has been adapted internally or has additional facilities to suit the disabled person's needs.

This is a non-means tested relief, which is intended to assist those who, because of a permanent disability have had the property adapted internally or have had additional qualifying facilities added to suit the disabled person's needs, and where that modification could increase the CV of the property.

Whereas other design features of the tax can be aligned to EQIA characteristics (for example lone pensioner allowance, and enhancement to means-tested support for pensioners) the Disabled Persons Allowance is a mitigating measure pertaining specifically to both those EQIA characteristics and adaptations made to a property and any impact that may have on a property's capital value.

The Department's view, underpinning this assessment, is that as this operates as a % allowance, and that it therefore adjusts alongside any increase in liability resulting from this policy change, there is no evidence of adverse impact.

Nonetheless, the Department invites any supplementary evidence as part of its work on seeking views on the draft Screening Assessment.

Section B

Available evidence

Evidence to help inform the screening process may take many forms. Public authorities should ensure that their screening decision is informed by relevant data.

What evidence / information (both qualitative and quantitative) have you gathered to inform this policy? Set out all evidence below along with details of the different Section 75 groups you have met and / or consulted with to help inform your screening assessment. Please also provide details of priorities and needs identified for each Section 75 group.

General response

This policy has direct application to the taxation regime within the domestic rating system and regularises the position of properties subject to the maximum capital value within that taxation regime between the values of £400,000 and £485,000. As such there is no evidence of any greater or lesser impact on equality of opportunity or good relations for people within the different Section 75 groups, than the treatment of properties up to the value of £400,000 currently within the overall design of the tax (predicated upon individual discrete capital values).

The measure will see an increased cohort of 3,615 properties within the domestic rating system rated upon the same basis of discrete individual capital values. It will see elevated bills for the remainder (over 8,000 properties in total including the 3,615 up to £485,000) benefiting from the cap currently in relation to their value up to £485,000 but not the value in excess of the proposed new “cap”.

The measure will raise revenue through the taxation system to help address wider Budgetary shortfalls facing the Executive. The inability to address those shortfalls in and of itself has the potential to cause a detrimental effect on public services affecting different section 75 groups.

In terms of the analysis used to inform this assessment the Department has considered its own taxbase data, and the geographical spread of the over 8,000 “capped” properties, and

assessed the concentration of the properties, over 84% of which are located in 4 LGD areas.

The Department has also assessed the data available from the 2021 Census data at LGD level or using LGD data tabs from Census excel docs, with a focus on those 4 LGD areas with the high concentration of cap properties.

The Department has also considered additional documentation. Specific and contextual information utilised for this initial screening assessment is noted at the respective sections below.

Finally this screening assessment and its focus has been informed by the consultation undertaken by the Department on Domestic Rating Measures between November 2023 and February 2024 and the responses received.

- **Religious belief**

As General Response above.

<https://www.nisra.gov.uk/publications/census-2021-main-statistics-religion-tables> - in particular MS-B19 at the LGD tab.

- **Political opinion**

As General Response above

<https://www.nisra.gov.uk/system/files/statistics/census-2021-main-statistics-for-northern-ireland-phase-1-statistical-bulletin-national-identity.pdf>

The Department has also taken on board the findings of the Northern Ireland Life and Times Survey 2020

https://www.ark.ac.uk/nilt/2020/Political_Atitudes/

- **Racial group**

As General Response above.

<https://www.nisra.gov.uk/system/files/statistics/census-2021-main-statistics-for-northern-ireland-phase-1-statistical-bulletin-ethnic-group.pdf>

- **Age**

As General Response above.

During the process of screening this proposed policy, a number of resources were considered (and will continue to be considered) particularly around the category of age. One recent piece of research assessed was the August 2024 response provided to DoF by the Commissioner for Older People as part of the response to the DoF Budget 2024/25 in relation to the need to take account of impact of specific policy changes on Older People.

In addition, a review of the data held within the rating taxbase to better understand where pensioners can be identified within the system on the basis of support measures has been carried out. The data highlighted the current policy to mitigate the effect of the capital value system on pensioners living alone. The data held on the Lone Pensioner Allowance recipients (a non means tested 20% reduction to a rate bill for ratepayers over the age of 70) has been considered to understand whether there would be an adverse impact based on age, should there be an increase to the cap.

Whilst no obvious impact has been identified, the Department will carefully consider responses to the consultation which may highlight potential impacts not currently identified.

The Department is also cognisant of the issue raised by the COPNI in the context of their Budget 2024/25 response and work will be undertaken as part of this current consultation to maximise awareness levels as regards the uptake of the LPA, and other forms of support available to older people within the rating system as an additional mitigating step.

[August-2024-COPNI-response-to-DoF-Budget-2024-25-Equality-Screening.pdf](#)

<https://www.ageuk.org.uk/globalassets/age-ni/documents/policy/pensioners-parliament-2021.pdf>

<https://www.nisra.gov.uk/publications/census-2021-main-statistics-demography-tables-age-and-sex> - in particular MS AO2 in relation to the data on 5 year age bands at the LGD tab – numbers and percentage figures.

The Department would welcome additional evidence base to supplement its data on this specific section 75 category during the consultation period.

- **Marital status**

As General Response above.

<https://www.nisra.gov.uk/system/files/statistics/census-2021-main-statistics-for-northern-ireland-phase-3-statistical-bulletin-household-relationships-version-1.pdf>

- **Sexual orientation**

As General Response above.

<https://www.nisra.gov.uk/system/files/statistics/census-2021-main-statistics-for-northern-ireland-phase-3-statistical-bulletin-sexual-orientation.pdf>

- **Men & women generally**

As General Response above.

<https://www.nisra.gov.uk/publications/census-2021-main-statistics-demography-tables-age-and-sex> - in particular MS-AO3 and MS-AO4.

- **Disability**

As General Response above and see also Section A(i) above.

<https://www.nisra.gov.uk/system/files/statistics/census-2021-main-statistics-for-northern-ireland-phase-2-statistical-bulletin-health-disability-and-unpaid-care.pdf>

- **Dependents**

As General Response above.

<https://www.nisra.gov.uk/publications/census-2021-main-statistics-demography-tables-household-relationships> - in particular MS-A26

If you have no evidence held, outline how you will obtain it:

There are no categories in respect of which the Department holds no evidence in relation to the section 75 categories listed above. The Department also intends to undertake engagement with stakeholders representing section 75 categories as part of the supplementary consultation work.

As noted above the Department is interested in specific supplementary evidence in relation to age and disability.

Screening questions

There are 4 essential screening questions:

1. What is the likely impact on equality of opportunity for those affected by this policy, for each of the nine Section 75 categories? (minor/major/none)
2. Are there opportunities to better promote equality of opportunity for people within the Section 75 categories? (yes/no)
3. To what extent is the policy likely to impact upon good relations between people of different religious belief, political opinion or racial group? (minor/major/none)
4. Are there opportunities to better promote good relations between these three groups? (Yes/No)

Are there likely impacts on Section 75 Categories?

- **Religious belief:**

What is the level of impact?

None identified in respect of this draft screening exercise

- **Political opinion:**

What is the level of impact?

None identified in respect of this draft screening exercise

- **Racial group:**

What is the level of impact?

None identified in respect of this draft screening exercise.

- **Age:**

What is the level of impact?

None identified on the screening assessment in respect of this draft. However, as noted within this draft screening document, the Department is seeking specific evidence from this group as part of the supplementary consultation work to better understand if this assessment is correct.

- **Marital status:**

What is the level of impact?

None identified in respect of this draft screening exercise

- **Sexual orientation:**

What is the level of impact?

None identified in respect of this draft screening exercise.

- **Men and women generally:**

What is the level of impact? *None identified in respect of this draft screening exercise.*

- **Disability:**

What is the level of impact?

None identified on the screening assessment in respect of this draft. As noted within this draft screening document the Department is seeking specific evidence from this group as part of the supplementary consultation work to better understand if this assessment is correct .

- **Dependants:**

What is the level of impact?

None identified in respect of this draft screening exercise.

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Additional considerations

Multiple identity

Generally speaking, people can fall into more than one Section 75 category. Taking this into consideration, are there any potential impacts of the policy/decision on people with multiple identities?

(For example; disabled minority ethnic people; disabled women; young Protestant men; and young lesbians, gay and bisexual people).

This policy revision acts to regularise the position of 3,615 properties that are subject to the maximum capital value at present, with a valuation between £400,000 and £485,000 within the taxation regime, and to raise revenue in respect of valuation between the £400,000 and £485,000 for the remainder of the 8,000 properties which are currently subject to the “cap”.

No impact has been identified on people with multiple identities but the Department would welcome evidence in relation to persons who have the multiple identify of “older people” and “disability” and “gender”.

Provide details of data on the impact of the policy on people with multiple identities. Specify relevant Section 75 categories concerned.

No data available at this stage to suggest actual impact but as above, the Department welcomes any evidence that will assist in identifying any impact or confirming whether that assessment is correct

Mitigation

When the public authority concludes that the likely impact is ‘minor’ and an equality impact assessment is not to be conducted, the public authority may consider mitigation to lessen the severity of any equality impact, or the introduction of an alternative policy to better promote equality of opportunity or good relations.

Alternatively there may already be policies in place which would mitigate any adverse impact identified.

Mitigation measures proposed:

No new mitigating measures are proposed in the context of this policy revision. The following table shows the distribution of extensive mitigation (financial impact) measures implemented alongside the design features of the capital value system of domestic rating, in respect of properties affected by the change.

Relief/Allowance type	Count of occupancies
Rating of Empty Homes Exclusion	61
Disabled Person's Allowance	193
Lone Pensioner Allowance - Owner Occupier	394
Lone Pensioner Allowance - Private Rented	17
Landlord Discount	103
Rate Rebate	26
Housing Benefit - Owner Occupier	56
Housing Benefit - Private Rented	4
Low Income Rate Relief	35
Clergy Relief	56
Farmhouse Allowance	96

Section C

DoF also has legislative obligations to meet under the [Disability Discrimination Order](#) and the [Human Rights Act](#) . The following questions relate to these two areas.

Consideration of Disability Duties

Does the proposed policy / decision provide an opportunity for DoF to better **promote positive attitudes** towards disabled people?

Explain your assessment in full

No. This policy revision acts to regularise the position of 3,615 properties subject to the maximum capital value at present, with a valuation between £400,000 and £485,000 within the taxation regime, and to raise revenue in respect of valuation between the £400,000 and £485,000 for the remainder of the 8,000 properties which are currently subject to the “cap” and is unrelated to attitudes towards disabled people.

Does the proposed policy / decision provide an opportunity to actively **increase the participation** by disabled people in public life?

Explain your assessment in full

No. This policy revision acts to regularise the position of 3,615 properties subject to the maximum capital value at present, with a valuation between £400,000 and £485,000 within the taxation regime, and to raise revenue in respect of valuation between the £400,000 and £485,000 for the remainder of the 8,000 properties which are currently subject to the “cap” and is unrelated to participation of disabled people in public life.

Consideration of Human Rights

The Human Rights Act (HRA) 1998 brings the European Convention on Human Rights (ECHR) into UK law and it applies in N Ireland. Articles 3 and 4 are classified as “absolute” rights ie the State can never withhold or take away these rights. All others are either “qualified” or “limited”. Further information is available via the following link

<http://www.nicshumanrightsguide.com/>

Indicate any potential adverse impacts that the policy / decision may have in relation to human rights issues.

Adverse Impact

This policy revision acts to regularise the position of 3,615 properties subject to the maximum capital value at present, with a valuation between £400,000 and £485,000 within the taxation regime, and to raise revenue in respect of valuation between the £400,000 and £485,000 for the remainder of the 8,000 properties which are currently subject to the “cap”.

The assessment of the adverse impacts below has been determined against the backdrop of the exception within P1A1 pertaining to taxation law. It is considered that the steps being taken to elevate the current level of the maximum capital value serves a valid purpose in the public or general interest and that the proposals put forward in the consultation are both reasonable and proportionate to achieve that end.

As such, while the liability may increase for people in the properties noted above, that increase is deemed both reasonable and proportionate in the context of the tax, the public need and against a context where a prior, higher, maximum capital value of £500,000 has previously been implemented within the tax. It is not, therefore, the view of the Department that there is any adverse impact in relation to Human Rights issues.

Right to Life

Article 2

No

Prohibition of torture, inhuman or degrading treatment	Article 3	No
Prohibition of slavery and forced labour	Article 4	No
Right to liberty and security	Article 5	No
Right to a fair and public trial	Article 6	No
Right to no punishment without law	Article 7	No
Right to respect for private and family life, home and correspondence	Article 8	No
Right to freedom of thought, conscience and religion	Article 9	No
Right to freedom of expression	Article 10	No
Right to freedom of peaceful assembly and association	Article 11	No
Right to marry and to found a family	Article 12	No
The prohibition of discrimination	Article 14	No
Protection of property and enjoyment of possessions	Protocol 1 Article 1	No
Right to education	Protocol 1 Article 2	No
Right to free and secret elections	Protocol 1 Article 3	No

Please indicate any ways which you consider the policy positively promotes human rights.

The policy will ensure increased revenue for central government which can be used for unhypothecated government expenditure at Executive

and local government level which will include the promotion of human rights.

Please explain any adverse impacts on human rights that you have identified.

No adverse impacts on human rights are anticipated as a result of the policy revision.

If you have identified any adverse impacts on human rights through this screening you must complete a Human Rights Impact Assessment: <https://www.executiveoffice-ni.gov.uk/publications/human-rights-impact-assessment-proforma>.

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Monitoring Arrangements

Public authorities should consider the guidance contained in the Commission's [Monitoring Guidance for Use by Public Authorities \(July 2007\)](#):

<http://www.equalityni.org/ECNI/media/ECNI/Publications/Employers%20and%20Service%20Providers/S75MonitoringGuidance2007.pdf>

The Commission recommends that where the policy has been amended or an alternative policy introduced, the public authority should monitor more broadly than for adverse impact (See Benefits, P.9-10, paras 2.13 – 2.20 of the Monitoring Guidance).

Effective monitoring will help the public authority identify any future adverse impact arising from the policy which may lead the public authority to conduct an equality impact assessment, as well as help with future planning and policy development.

Please detail proposed monitoring arrangements below:

The Department will be monitoring issues as the public consultation process is progressed and any required legislation is developed.

Section D - Formal Record of Screening Decision

Title of Proposed Policy / Decision being screened:

Removal of Maximum Capital Value

I can confirm that the proposed policy / decision has been screened for (i) equality of opportunity, (ii) good relations disabilities duties and (iii) human rights issues

On the basis of the answers to the screening questions, I recommend that this policy / decision is –

* **Screened Out** – No EQIA necessary (no impacts)

Provide a brief note to explain how this decision was reached:

This policy revision acts to regularise the position of 3,615 properties subject to the maximum capital value at present, with a valuation between £400,000 and £485,000 within the taxation regime, and to raise revenue in respect of valuation between the £400,000 and £485,000 for the remainder of the 8,000 properties which are currently subject to the “cap”. The policy has been subject to the screening process in line with the Department’s Equality Scheme as noted above.

Screening assessment completed by -

Rating Policy Division Assessment

Date 21 October 2024

And approved by –

Name Andrew McAvoy

Grade 5

Date 21/10/24

Central Support Team Notified (insert date)

Equality Contacts advised (insert date)

Screening uploaded to DoF website (insert date)