

DRAFT DoF Screening – *Reduction of Early Payment Discount to 2%*

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.

DRAFT

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

Reduction of Early Payment Discount from 4% to 2%

b) Brief Description of the policy

If domestic ratepayers make payment in full in a single amount by a date specified on the rate bill, they are entitled to a discount of 4% under the current policy.

This policy revision reduces that early payment discount to 2% and does not affect the underlying tax liability.

c) Aims of the policy/ Rationale behind the changes

The current policy is a longstanding feature of the domestic rating system which was originally implemented to encourage ratepayers to pay in a single amount early in the rating year as, at that time, this was

accepted as administratively less complex and less expensive than managing payments by instalments

As the current policy no longer aligns with modern accounting methods within government, and for some years the Department's publicly stated preferred payment method has been Direct Debit, by reducing the discount from 4% to 2%, this policy revision aims to contribute to the increase in rate revenue for central government due to the current Budgetary Context.

d) Who will the policy affect?

This policy revision will affect those domestic ratepayers who have the available funds and wish to pay their rates in one lump sum prior to a fixed date each year.

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.

- 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.

The provision does not engage Section 75 groupings directly and does not affect the underlying tax liability in any way. There is no obligation to pay rates early and in one lump sum and the Department gains no benefit in accounting terms for Budget management from early payment. The option of payment by instalments either by direct debit or other methods of payment are accessible and open to anyone who wishes to spread the cost of rates liability at no additional cost to the ratepayer in terms of interest/increased liability.

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

The current policy is an incentive mechanism linked to the domestic rating system. This policy revision reduces the amount of early payment discount from 4% to 2% which is available for those domestic ratepayers who have the available funds and choose to pay their rates in one lump sum prior to a fixed date each year. It does not affect the underlying tax liability.

It will have no bearing in terms of its likely impact on equality of opportunity or good relations for people within the different Section 75 groups.

The measure will save revenue to address wider Budget shortfalls that in and of themselves have the potential to cause a detrimental effect on public services affecting different section 75 groups.

Money raised by the reduction in early payment discount from 4% to 2%, in revenue terms, can serve to reduce the level of regional rate and avoid the need to raise or increase revenue from other parts of the rates system.

There are around 850,000 domestic properties (including mixed) and in the last rating year 163,449 ratepayers availed of the current Early Payment Discount. It should be noted that raising revenue from reduction of an optional discount for those that have the financial ability to pay their rates bill in full as opposed to raising it from the overall taxbase by way of poundage increases is a more equitable approach at a whole taxbase level.

As 75% of rates income is generated from properties with a valuation of £200k or below, increasing the rates poundage would significantly increase the burden on those in lower value properties.

While this change reduces the level of allowance it should be noted at the time of writing that the residual allowance remains higher than the current CPI rate of inflation which sits at 1.7%.

<https://www.ons.gov.uk/economy/inflationandpriceindices>

- **Religious belief**

As per general response.

- **Political opinion**

As per general response.

- **Racial group**

As per general response.

- **Age**

As per general response.

Anecdotal feedback from previous public consultation exercises implied that older people and pensioners tend to utilise the early payment discount. The following is noted in the Consultation report from the public consultation on this issue that ran from November 2023 to February 2024.

“Reference was made in the responses to those who manage their household finances very carefully in order to avail of EPD each year with specific reference made to pensioners and those who fall outside other benefit or relief schemes.”

<https://www.finance-ni.gov.uk/sites/default/files/consultations/dfp/lps-revenue-raising-consultation-summary-report-september-2024.pdf>

There is however no empirical evidence that has been identified by the Department (to date) that corroborates that assertion, and the intent to manage household finances carefully to avail of the EPD is not the same as a reliance on such a discount for reasons of need. There are many different supports available for those who need assistance with paying their rates and which are means tested based and on specific needs

The financial ability to pay a rates bill early in one instalment, while sitting outside the catchment group for means tested support suggests an ability to pay that may not be present within the cohort of ratepayers who financially may have no choice but to pay by instalment and who may not qualify for other support.

However, in light of the anecdotal feedback and in the absence of corroborative evidence, the Department would welcome further evidence in respect of this s75 grouping and also notes the

existing policy that falls under the age grouping (over 70) where a reduction (allowance) of 20% is available for lone pensioners, albeit not subject to this policy change, it nevertheless demonstrates where a need has been identified and a policy implemented to support this group.

- **Marital status**

As per general response.

- **Sexual orientation**

As per general response.

- **Men & women generally**

As per general response.

- **Disability**

As per general response.

- **Dependents**

As per general response.

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

The Department 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 and / or corroborative evidence in relation to age and in particular those in the elderly or pensioner group.

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*

- **Political opinion:**

What is the level of impact? *None*

- **Racial group:**

What is the level of impact? *None*

- **Age:**

What is the level of impact? *None*

- **Marital status:**

What is the level of impact? *None*

- **Sexual orientation:**

What is the level of impact? *None*

- **Men and women generally:**

What is the level of impact? *None*

- **Disability:**

What is the level of impact? *None*

- **Dependants:**

What is the level of impact? *None*

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 reduces an early payment discount open to domestic ratepayers who choose to pay their rates in one lump sum prior to a fixed date each year and does not affect the underlying tax liability.

As such it will have no bearing in terms of its likely impact on people with multiple identities.

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

N/A

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 principal mitigation step that can be taken by those who feel that the reduction of an early payment incentive means they no longer wish to make early payment is to pay by instalment to manage debt across the span of the rating year.

332,344 currently pay their domestic rates bill by Direct Debit Instalment and this represents 39.2% of the whole taxbase. Direct Debit is the Department's preferred payment method because it reduces administrative costs of collection and helps prevent this cost being passed on via an elevated rate poundage.

Other ratepayers pay by instalment or across multiple or single payments by means other than Direct Debit. The payment options are laid out in the link below:-

[How you can pay your rate bill | nidirect](#)

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 reduces an early payment discount open to domestic ratepayers who choose to pay their rates in one lump sum prior to a fixed date each year and does not affect the underlying tax liability. It 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 reduces an early payment discount open to domestic ratepayers who choose to pay their rates in one lump sum prior to a fixed date each year and does not affect the underlying tax liability. It 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

The enacting legislation will be subject to legal scrutiny to ensure that it is compatible with the ECHR. The required legislation to reduce the optional early payment discount does not affect underlying tax liability.

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.

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. The underlying liability within the taxation regime remains unaffected.

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>.

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:

Reduction of Early Payment Discount

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 reduces an early payment discount open to domestic ratepayers who choose to pay their rates in one lump sum prior to a fixed date each year and does not affect the underlying tax liability. It reduces an incentive for an activity that the Department no longer wishes to incentivise and which provides no benefit to government in accounting terms.

Screening assessment completed by -

Name *Rating Policy Division*
Grade *Team assessment*
Date *October 2024*

And approved by –

Name **Andrew McAvoy**
Grade **5**
Date **23/10/24**

Central Support Team Notified (insert date)

Equality Contacts advised (insert date)

Screening uploaded to DoF website (insert date)