

Final Integrated Impact Assessment (IIA)
Northern Ireland Executive Review of the Domestic Rating
System

Impact Assessments: New Targeting Social Need (New TSN),
Rural Proofing , Equality Impact Assessment (EQIA) and
Privacy Impact Assessment (PIA)

January 2009

Contents

Introduction	3
Approach to analysis	5
Reduction in the Maximum Capital Value	6
The Introduction of a Deferral Scheme for Homeowning Pensioners	16
The Rating of Empty Homes	19
The Introduction of New Data Sharing Powers	24
The Introduction of a Rate Rebate for Household Energy Efficiency Improvements and an Initial Rates Exemption for New Low and Zero Carbon Homes	28
Monitoring and Evaluation	35

Introduction

The Integrated Impact Assessment (IIA) is a policy tool designed to inform the policy-making process, by determining the potential impact of a policy change. An initial IIA has already been carried out around several proposals which emerged from the 2007 Executive review of the domestic rating system. These were published alongside and as part of the consultation papers on these planned measures, during 2008.

This document records the results of the Final integrated impact assessment which has been undertaken in relation to these proposals. This paper builds on the analysis which was carried out and reported within the initial IIA. In addition, the Final IIA updates this analysis, where appropriate, with further evidence that has become available through the consultation process and with other analysis that has been carried out.

The measures which featured in the Initial IIA's and which have been consulted on during 2008 are:

- the reduction in the maximum capital value from £500,000 to £400,000
- the introduction of a deferment scheme for home owning pensioners
- the rating of empty homes
- the introduction of new data sharing powers

In addition, this Final IIA also includes new analysis which has been carried out around a further proposal, for which there was no Initial IIA. This has been made possible through the availability of additional data. This relates to:

- the introduction of a rate rebate for household energy efficiency improvements and a rates holiday for new low and zero carbon homes

The impact assessments which were carried out within the Initial analyses were:

- New Targeting Social Need (New TSN), which considers the likely impact of policies on disadvantaged areas;
- Rural Proofing (RP), which looks at the consequences for rural areas; and,
- Equality Impact Assessment (EQIA), which assesses the effect of policies on the Section 75 groups within Northern Ireland.

In relation to the data sharing consultation, the following impact assessment was carried out:

- Privacy Impact Assessment (PIA)

Approach to Analysis

The approach taken within this Final IIA is to use any additional evidence that has emerged either as a result of the consultation process, as well as other evidence that has come to light, to update the analysis that was carried out to inform the Initial IIA. Little additional evidence was made available as a result of the consultation process. However, in some cases, further evidence came to light during this time which helped to inform the final analysis.

The following data sources have been used to analyse the potential impacts in both the initial and final IIA:

1. Valuation List data supplied by the Land Property Services (LPS). The list used in this analysis contains information on 704,000 domestic properties, including ward and district council location, and capital value as at January 2008.
2. Census 2001 information, from the Northern Ireland Statistics and Research Agency (NISRA).
3. The domestic regional rate poundage for 2007/2008, from Department of Finance and Personnel, Rating Policy Division.
4. The domestic district rate poundage, for each district council, for 2007/2008, from Department of the Environment, Local Government Division.
5. The Northern Ireland Multiple Deprivation Measure (NIMDM), at ward level. Each ward is scored according to its level of deprivation – the higher the score, the higher the level of deprivation.
6. The House Condition Survey 2006, produced by the Northern Ireland Housing Executive in September 2008.

Reduction in the Maximum Capital Value

The Department plan to reduce the maximum capital value that applies under the domestic rating system from its current level of £500,000 to £400,000. This would ensure that the highest bills experienced under the rating system in Northern Ireland are comparable with those under the highest band under the Council Tax in England.

In order to allow councils to adjust to the lower revenue stream associated with a reduced maximum cap, the Assembly will be asked, subject to Executive clearance, to approve legislation to allow transitional relief to be provided to district councils during 2009/10 and 2010/11.

Initial Impact Assessment

This section provides a brief summary of the findings from the initial IIA.

- **New Targeting Social Need**

The Initial IIA had concluded that the imposition of a maximum cap of £400,000 will have a more positive impact on properties in less deprived locations. The scale of the differential impact was not considered to be significant, however, as the change in average bills within each decile before and after the reduction was, in most cases, no more than a few pounds.

- **Rural Proofing**

The initial IIA had suggested that the cap reduction would be to the benefit of urban and mixed areas more so than rural areas. It also showed, though, that setting the cap at £400,000 as opposed to the current £500,000 would be slightly more beneficial for rural wards. There was no further evidence received during the consultation which can be used to add to this analysis.

- **Equality Impact Assessment (EQIA)**

The initial EQIA had suggested that the reduction in maximum capital value had a minimum impact on Section 75 groups, as measured by a change in average bill within groups following the reduction. No further evidence has emerged as a result of the consultation.

Consultation Responses

A number of organisations responded to the consultation in relation to the initial IIA and expressed concern at the impact of the reduced cap on deprived areas, as well as, in some cases, the potential negative impact on rural areas. This included several councils such as *Belfast, Coleraine, Craigavon and Strabane*, as well as a number of representative bodies including *Advice N.I.*, the *Consumer Council, NICVA* and *NIPSA*. The *Rural Community Network* suggest, though, that there will be no adverse rural impact, since the burden of the reduced cap, in terms of increased rates payments, will be felt most by those in deprived urban areas.

Advice N.I. also added that they felt that since many poorer households were over represented in terms of some Section 75 groups, such as women and lone parents, there would also be adverse equality impacts resulting from the reduction. Both the *Irish Congress of Trade Unions* and *NIPSA* also suggested that the approach to the EQIA was unsatisfactory and should be carried out in a different way.

Final Impact Assessment

- **New Targeting Social Need**

No new evidence emerged during the consultation to further inform the initial assessment. However, further analysis is required in relation to the proposed transitional relief scheme. While the potential for a transitional relief scheme had been raised in the consultation paper around this issue, there was no impact assessment carried out in relation to it.

The impact of a transitional relief scheme is different to that of the original reduction in maximum capital value to which it relates. That is, the relief scheme will impact on all ratepayers in those council areas benefitting, rather than individual households. Thus, it was felt that the best approach would be to assess the impact at a council level, despite the limitations this imposes in terms of the accuracy of the assessment.

The table below shows what the estimated impact on district rate revenue would be for each council area arising from a reduction in the maximum cap. The table gives an indication of the district rate revenue loss (using 07/08 poundages for illustrative purposes only). It also highlights what impact this would have on the overall revenue raised within each council.

Table 1: District Rate Revenue Loss following Reduction in the Maximum Cap

COUNCIL	Additional district rate revenue loss due to reduction in max cap to £400k (compared to £500k)	Additional loss as percentage of total district rate revenue
Antrim	£7,058	0.11%
Ards	£50,676	0.49%
Armagh	£8,570	0.11%
Ballymena	£8,536	0.11%
Ballymoney	£3,502	0.10%
Banbridge	£8,108	0.13%
Belfast	£428,205	1.20%
Carrickfergus	£8,316	0.16%
Castlereagh	£16,465	0.23%
Coleraine	£19,284	0.22%
Cookstown	£3,031	0.08%
Craigavon	£10,032	0.09%
Derry	£24,985	0.18%
Down	£15,385	0.16%
Dungannon	£10,223	0.19%
Fermanagh	£7,447	0.14%
Larne	£1,311	0.03%
Limavady	£1,601	0.04%
Lisburn	£51,031	0.39%

Magherafelt	£2,513	0.07%
Moyle	£6,490	0.22%
Newry and Mourne	£26,386	0.23%
Newtownabbey	£8,655	0.08%
North Down	£203,722	1.73%
Omagh	£3,794	0.06%
Strabane	£1,028	0.03%
NI	£936,352	0.43%

In order to use this information to inform the impact assessment process, the approach taken was to select the top 5 and bottom most affected councils and then to compare the characteristics of these two groups. Table 2 identifies the councils selected:

Table 2: Most and Least Affected Councils

Most affected councils	Proportion of district rate revenue loss	Least affected councils	Proportion of district rate revenue loss
North Down	1.73%	Larne	0.03%
Belfast	1.20%	Strabane	0.03%
Ards	0.49%	Limavady	0.04%
Lisburn	0.39%	Omagh	0.06%
Newry and Mourne	0.23%	Magherafelt	0.07%

The next step in the process involved a comparison of the socio-economic characteristics of these two groups of councils. This made use of various measures based on the NIMDM. Table 3 which follows below records the result.

Table 3: Socio-economic characteristics of the Most and Least Affected Councils

	Rank of average NIMDM score	Rank of Income score	Rank of Extent	Rank of Local Concentration
North Down	26	16	23	23
Belfast	2	1	2	1

Ards	22	14	22	22
Lisburn	17	4	7	4
Newry and Mourne	4	3	4	6
Larne	14	25	16	20
Strabane	1	7	1	3
Limavady	6	18	6	7
Omagh	7	11	9	13
Magherafelt	19	20	24	24

The first column is based on the standard **NIMDM** score and displays how each of the councils rank in terms of the average level of deprivation within wards in these council areas. A high rank indicates a lower level of deprivation. Thus, North Down, ranked 26, is the least deprived by this measure.

Overall, this measure presents slightly mixed results, with those councils most likely to gain including apparently more deprived areas such as Belfast (2nd) and Newry and Mourne (4th) as well as less deprived districts – North Down (26th) and Ards (22nd). Those least likely to benefit from a transitional relief scheme also represent a range in terms of deprivation from the most deprived district (Strabane – 1st) to Magherafelt (19th).

The second column ranks the councils in terms of their **Income** score. Income is one of the measures that goes into making up the overall NIMDM score. The ranking of the various councils is therefore very similar to that achieved using the NIMDM. The most notable exceptions are perhaps Lisburn, whose ranking in terms of Income is actually 4th most deprived, as well as Larne (25th) and Limavady (18th) and Strabane (only 7th most deprived compared to 1st under the main measure).

The final two measures provide a slightly different perspective. These are both important because they provide a more focused indication of the actual level of deprivation that exists within council areas and therefore add a greater degree of accuracy to the analysis. The **Extent** score, firstly, shows what proportion of the population in that council area are living in a deprived ward. It therefore shows whether deprivation is widespread or concentrated in a small number of highly deprived wards. Again, there are some interesting results, such as the fact that North Down falls to 23rd and is actually below Magherafelt (24th) under this measure.

Finally, the **Local Concentration** measure identifies whether there are 'hot spots' of deprivation within council areas. Once more, the results using this measure suggests that those councils benefitting most and least from transitional relief contain a mixture of deprived and less deprived council areas.

Summary of Further New TSN Impact Assessment Analysis

The reduction in maximum capital value, since it affects those who live in very high capital value properties, is most likely to benefit communities which are not deprived. As the initial IIA therefore suggested, the outcome is unlikely to be a positive one from a New TSN perspective.

The transitional relief scheme, however, appears to present a different outcome. As noted earlier, the benefits of this will be more widespread in that all those in a council area will gain, rather than individual ratepayers in particular properties. While those council areas which benefit most include, perhaps unsurprisingly, some which exhibit little degree of deprivation (North Down, Ards) the scheme will also help ratepayers in districts which demonstrate a high level of deprivation across many parts of the council as well as pockets of localised high deprivation (Belfast, Lisburn and Newry and Mourne). Similarly, those council areas which benefit least from the scheme also represent a broad range in terms of the deprivation measures.

It would seem, therefore, that the transitional relief scheme does to some degree mitigate against some of the adverse impact of the original proposal to reduce the maximum capital value.

- **Rural Proofing**

Again, it is necessary to carry out a further assessment to take account of the impact of the introduction of a transitional relief scheme. The approach taken, as with the further New TSN impact assessment, has been to look at the characteristics of the top and bottom 5 councils, this time looking at the rurality of each council area. The measure used was the proportion of the overall population which were in wards classified as 'rural', 'mixed' or 'urban' within each of the council areas, using the classification available from NISRA. Table 4 below details the results:

Table 4: Urban / Rural Characteristics of the Most and Least Affected Councils

Council	Rural (%)	Urban (%)	Mixed (%)
North Down	0	90	10
Belfast	0	98	2
Ards	30	38	32
Lisburn	30	52	19
Newry and Mourn	51	39	10
Larne	25	51	24
Strabane	69	31	0
Limavady	53	31	16
Omagh	55	45	0
Magherafelt	79	15	6

Summary of Further Rural Proofing Analysis

Table 4 would suggest that the districts which are most likely to benefit from the transitional relief scheme are less rural in nature and those that benefit least tend to be more rural. It does not therefore appear to mitigate against the effects of the reduction in maximum cap, which the initial IIA had suggested was more likely to benefit urban areas.

- **Equality Impact Assessment (EQIA)**

As with the other assessments, the introduction of a transitional relief scheme requires further analysis to be carried out of the impact of this change on the various Section 75 groups. As with previous assessments, because of the lack of data, this has not been possible in relation to two of these categories, sexual orientation and political opinion.

The analysis has been carried out at local government district level. The approach taken has been to examine and compare the characteristics of the top and bottom 5 councils in terms of who will gain from the transitional relief scheme. This is based on the results of the 2001 Census. While some of the figures will have undoubtedly changed since then, the overall characteristics of each council area are unlikely to have altered significantly. The only exception is perhaps in terms of the Ethnicity category, with the census not capturing the large influx of migrant workers in recent years. The table below summarises the results of this analysis:

Table 5: Summary of Impact on Section 75 Groups

	Top 5 councils	Bottom 5 councils
Age	North Down, Belfast and Ards tend to have slightly higher numbers of older people.	All 5 councils, apart from Larne , have proportionately higher numbers of young people.
Dependency	All except Newry and Mourne tend to have higher numbers of households without dependents.	All except Larne tend to have lower numbers of households without dependents.
Disability	Belfast and Newry and Mourne have a relatively	All councils except Larne have a relatively higher proportion of

	higher proportion of persons with disabilities.	persons with disabilities.
Ethnicity	No significant pattern appears.	No significant pattern appears.
Gender	Belfast has a slightly lower proportion of Males.	All except Larne have a slightly higher proportion of Males.
Marital status	The proportion of the population in the Belfast council area who are Married is significantly lower than the NI average. The remaining 4 councils are close to the NI average.	No significant difference between these councils and those in the top 5, apart from Belfast.
Community background	Belfast (slightly) and Newry and Mourne have a relatively higher proportion of persons from a Catholic background.	All councils except Larne have a relatively high number of persons from a Catholic background.

There appear to be two main themes which emerge from this analysis:

- of those councils which benefit least from the scheme, the characteristics of four (Strabane, Limavady, Omagh and Magherafelt) are very similar and differ from those of the fifth council (Larne). That is, these four council areas appear to have a proportionately higher number of young people, a higher number of households with dependents, a higher number of persons with disabilities and a higher proportion of persons from a Roman Catholic background;
- of those councils which benefit most, the characteristics of those in Belfast and Newry and Mourne districts appear to differ from those of the remaining three council areas in this group. In fact, their profile is more similar to that of the four council areas linked in the bottom 5 group.

Summary of Further EQIA Analysis

The results of this additional analysis are not completely clear. It is notable that four of the five council areas which benefit least from the transitional relief scheme share many of the same characteristics. That is, they tend to have higher proportions of young people, persons with dependents, persons with disabilities and those with a Catholic community background. However, of the top five most benefitting councils, two also share many of these characteristics too.

Conclusion

The initial IIA had shown that the reduction in maximum capital value is most likely to benefit those in less deprived communities, as well as those in urban areas. There were no significant differential impacts identified in relation to the various Section 75 groups.

While no further evidence has arose as a result of the consultation process, additional analysis has been carried out in this final IIA to look at the impact that the transitional relief scheme would have. This analysis has suggested that the scheme will act to mitigate against the effect of the reduction with regard to deprived areas, although will not affect the outcome for rural wards. The impact on Section 75 groups is unclear.

The transitional relief scheme is a temporary one and will conclude by 2011/12. It may therefore be necessary that additional analysis is carried out to re-examine the issue at that stage. This could also take into account any changes which arise as a result of the planned reduction in the number of councils.

The Introduction of a Deferment Scheme for Homeowning Pensioners

A further proposal to emerge from the Executive's Review of the domestic rating system was the introduction of a deferment scheme for home owners of pension age. Following consultation in 2007 the Executive agreed that a deferment scheme should be introduced for pensioners who own their own homes. Under this scheme those pensioners who have sufficient equity in their property could defer payment of their annual rates bill until the property was sold.

Initial Impact Assessment

This section provides a brief summary of the findings from the initial IIA.

- **New Targeting Social Need**

The Initial IIA had shown that there was a broad link between the proportion of home owning pensioners in a ward and the level of deprivation in that ward. This would suggest that those in less deprived areas are more likely to benefit. The IIA had added, though, it was difficult to be certain about the impact of the scheme because of uncertainties around take up.

- **Rural Proofing**

Analysis in the initial IIA had indicated that there was a slightly higher tendency for owner occupying pensioners to live in rural areas. Therefore, the policy could have a moderately beneficial impact for rural areas.

- **Equality Impact Assessment (EQIA)**

The initial EQIA had suggested that the scheme was more likely to benefit those aged 60 and over, persons without dependents, persons with a disability, females and those who are not married. However, the report had

added that this unsurprising outcome reflected the demographic profile of the target population.

Consultation Responses

There were several responses to the consultation which focused on the analysis contained in the IIA, mainly from district councils. *Belfast City Council* responded by saying that it was no surprise that the scheme would benefit most those in less deprived areas and felt that the imposition of a minimum rate liability would exacerbate this. *Craigavon Borough Council* had felt, however, that as the take up was expected to be low, any effect was likely to be minimal. *Lisburn City Council*, who also replied, accepted that the main benefactor was likely to be those aged 65 or over. The response from *Shelter* focused on the need to monitor the impact of the scheme on different groups.

Final Impact Assessment

- **New Targeting Social Need**

No new evidence has emerged as a result of the consultation. In finalising the policy, it has been decided to set the age limit for entry into the scheme at age 60 rather than 65 and that this should increase in line with changes to the state retirement age. However, given that the analysis in the initial IIA was based on the proportion of home owning pensioners in individual wards, which was obtained from census data, then this would have already accounted for the difference in pension age between men and women. There is therefore no need to carry out further analysis.

- **Rural Proofing**

Again, no new evidence has emerged through the consultation. As with the New TSN assessment, the original analysis had been based on persons aged 60 or over in the census and therefore no further analysis is required to take account of the amendment to allow those aged 60 or over to apply.

- **Equality Impact Assessment (EQIA)**

There is no new evidence from the consultation to inform the initial EQIA. The reduction in entry age to those aged 60 and over is intended to ensure that there is no indirect discrimination against females. However, the initial EQIA had found that the policy is more likely to benefit females. This analysis, though, had already been carried out on the basis of persons aged 60 or over. No new analysis is therefore required to examine the impact of this change.

Conclusion

Since the deferment scheme is targeted at pensioners, the characteristics of those that benefit will obviously reflect the profile of this section of the population. The exclusion of those in properties with a capital value of less than £50,000 could tend to make the scheme less New TSN positive. However, the projected low level of take up means that any overall impact is not going to be a significant one. The impact of policy should be monitored as the scheme progresses, though, to see if there are any further mitigating measures that are required.

The Rating of Empty Homes

A further proposal to emerge from the Executive's Review of the domestic rating system was the introduction of the rating of empty homes. This proposal was aimed at bringing empty homes back into use and so help improve the supply of affordable housing. Vacant homes are also sometimes associated with dereliction, urban blight and anti social behaviour and so the policy was also intended to address these issues in communities.

Initial Impact Assessment

This section provides a brief summary of the findings from the initial IIA.

- **New Targeting Social Need**

The Initial IIA had suggested that empty properties were more likely to be in deprived areas. It had added, however, that the final impact of this was uncertain, given that there could be additional benefits (such as increased expenditure for the local area, regeneration and reduced blight) as well as increased costs in the form of further rate bills. In addition, it was not clear if these costs would fall on the residents in the area where the empty properties are located.

- **Rural Proofing**

Analysis in the initial IIA had indicated that there is a higher proportion of empty homes in rural areas. Again, the actual impact of this is uncertain, as described above.

- **Equality Impact Assessment (EQIA)**

The results of the initial EQIA, which was carried out at a local government district level, had indicated that those council areas which had a higher number of empty homes had a relatively lower proportion of persons without

dependents, a slightly higher proportion of single persons and a higher proportion of persons from a Catholic background.

Consultation Responses

There were several responses to the consultation in relation to the integrated impact assessment. The *Rural Community Network* were the only organisation to express concern around the fact that relatively higher numbers of empty homes appeared to be in deprived areas, while the *Ulster Farmers Union* also suggested that the move could discriminate against a number of Section 75 groups. The *Consumer Council* commented that they would have liked more information on how the predicted impacts shown in the assessment would be reviewed. One individual who replied felt that the impact assessments did not adequately consider the effects on those individuals who need to move house for reasons outside their control, such as persons changing employment or elderly persons downsizing.

Final Impact Assessment

- **New Targeting Social Need**

No new evidence has been provided as a result of the consultation process. Further analysis has been carried out, however, to examine the effect of excluding properties with a capital value below £20,000. This was not considered in the initial impact assessment.

Table 6 below repeats the analysis which was carried out in the initial IIA. That is, it separates properties into deciles based on the multiple deprivation score of the ward in which the property is located. Decile 10 contains those properties in the most deprived wards, and so on.

As the table shows, the exclusion of those properties with a capital value of less than £20,000 has no significant impact on the distribution of vacant

properties between different deciles, although it does appear reduce the overall proportion of vacant properties.

Table 6: New TSN Analysis – Empty Homes

Decile	Proportion of properties empty, excl. those below £20,000 CV	Proportion of properties empty (original analysis)
10 (most deprived)	6.6%	7.8%
9	5.3%	6.6%
8	6.7%	8.3%
7	7.0%	7.8%
6	8.0%	8.9%
5	7.1%	8.5%
4	5.6%	6.5%
3	5.5%	6.2%
2	4.6%	5.7%
1	4.7%	5.3%

- **Rural Proofing**

Again, no new evidence has been presented through the consultation. The table below once more shows the effect of removing properties valued at less than £20,000 from the analysis. As the results show, there is no impact on the distribution of empty homes between urban and rural areas.

Table 7: Rural Proofing Analysis – Empty Homes

	Northern Ireland	Empty Properties	Empty Properties excl. those below £20k CV
Urban	59%	55%	55%
Rural	29%	35%	35%
Mixed	12%	10%	10%

	100%	100%	100%
--	------	------	------

- **Equality Impact Assessment (EQIA)**

There is no new evidence provided as a result of the consultation. The analysis has been updated to take account of the proposal to exclude properties with a capital value less than £20,000. As noted above, this analysis had been undertaken at a council level. That is, the characteristics of the top 5 and bottom 5 councils (in terms how they are affected by the introduction of the rating of empty homes) were compared to identify if there were any significant differences.

Updating this analysis to exclude those below £20,000 does change the list of top 5 most affected council (one of the councils is different – Omagh instead of Armagh). However, this does not significantly change the overall characteristics of this group of councils, as reported in the initial IIA. The list of councils in the bottom 5 least affected districts does not change.

Conclusion

The impact assessment suggests that empty homes are more prevalent in deprived areas and, to a lesser extent, rural locations. In assessing the effect of this, however, it is important to realise that the net impact of the introduction of this measure on individuals in these communities could be (and is perhaps more likely to be) a positive rather than a negative one. That is, many of the benefits which the rating of empty homes is intended to bring (an increase in the supply of affordable housing, a reduction in urban blight and associated nuisance and anti-social behaviour, and so on) will be gained directly by those within these communities. The associated increased cost, on the other hand, could well fall outside the community, although there are no details available on the pattern of ownership of these properties. The increased revenue associated with the rating of empty homes will, though, benefit all ratepayers in a particular council area.

While the final IIA does not therefore identify a need for further mitigating measures at this stage, the impact of the introduction of this policy, including the actual costs and benefits delivered, will have to be monitored closely over time.

The Introduction of New Data Sharing Powers

One of the key issues to emerge from the Executive review was that take up of rate reliefs among pensioners, particularly those who own their own homes, was poor. Following the review, the then Minister appointed Help the Aged/Age Concern to carry out a study to see why take up among this group was so low and what steps could be taken to address this. The resultant study, which was based on consultation and research undertaken by Access to Benefits for Older People, put forward a number of recommendations as to how this could be improved. One of these related to the issue of data sharing and the need for different parts of Government to share information so as to make it easier for ratepayers to receive the relief to which they are entitled. This formed the basis for a public consultation which sought views on the Department's proposals to increase the ability to share information with the Department for Social Development so as to better target potential applicants for relief.

Initial Impact Assessment

An initial impact assessment was carried out and published alongside the consultation document. This initial assessment took the form of a Privacy Impact Assessment (PIA), which is a tool designed to help policy makers determine what the implications of their proposals are in terms of privacy legislation and wider privacy matters.

The initial PIA set out what information it was proposed to be shared, how this would be achieved and what systems would be put in place to ensure that access to this data was controlled and that personal information was secure. It had concluded that there did not appear to be any significant adverse impacts on the privacy of individuals arising out of the proposals.

Responses to the Consultation

There were several responses to the consultation which specifically referred

to the initial Privacy Impact Assessment. Down District Council, for example, suggested that there should be regular reviews of the processes set out in the PIA. The Fair Rates Campaign also felt that the proposals for notifying potential rate relief claimants of the new use of their data are satisfactory. They also felt, though, that there should be some method of independent monitoring of the various uses made of the client's data by LPS. The Consumer Council, in their reply, stated that they agreed that a senior manager should be appointed to oversee the handling of data. Help the Aged/Age Concern/A2B, while welcoming the involvement of only a small trained team within LPS in relation to shared data, felt this should go further and allow this team to verify income and so on, rather than simply forward on information around benefits.

The Information Commissioner, in their response, suggested that the PIA had not been carried out in accordance with the guidance. They also expressed some more specific concerns around issues such as whether LPS were going to be a data controller and the safeguards which LPS would put in place around this data.

Final Impact Assessment

The initial PIA had been based on the original proposals which would have involved LPS staff receiving information from the Social Security Agency (SSA) from the Customer Information System and using this to better target individuals for rate reliefs.

During the continued development of the policy, there has been a change in the mechanism by which data sharing will occur. That is, it has now been established that the SSA Benefit Scans system, which is held by the Statistics and Consultancy Branch (SCB) of DSD, holds live social security data for Northern Ireland and is the best source to provide the required information. This will not change the eventual outcome, however, in that once this information has been extracted, it will be used by LPS to target individuals informing them of a particular individual.

A further change to the policy proposals has also occurred during the consultation stage. That is, it has now been established that access to the Customer Information System would also allow LPS to improve the verification of claims for Housing Benefit and Rate Relief purposes. At present, LPS require the written consent of the claimant to allow them to access this information. The new legislation is therefore intended to overcome this to allow LPS to access this information directly, therefore speeding up the process of verification and awarding of entitlements.

It has not been decided to carry out a further PIA around this measure. There have been some amendments to the Department's original proposals. However, in relation to the sharing of information between DSD and DFP for the purposes of better targeting of reliefs, this amounts to a change in the mechanism by which this will be achieved. That is, the data will now be drawn from a system which is held by a branch within DSD, rather than directly from the Customer Information System. The nature of the information to be shared and the way in which this is to be accessed and protected within LPS does not change as a result.

In terms of the further change to the proposals in relation to the use of the CIS for the purposes of verifying housing benefit and rate relief claims, the same controls and restrictions within LPS will apply, including:

- all staff will be made aware of the departmental data sharing policy statement and action plan;
- where relevant, staff will receive the necessary training;
- only authorised staff will have access to the data and who must adhere to the data protection principles and protocols; and
- data handling procedures will be subject to periodic review.

The original conclusions of the PIA therefore remain valid.

Conclusion

There have been no changes to the findings of the initial PIA. That is, the proposed changes will have no significant adverse impact on the privacy of individuals. No further mitigating measures are therefore required.

The Introduction of a Rate Rebate for Household Energy Efficiency Improvements and an Initial Rates Exemption for New Low and Zero Carbon Homes

A key theme to emerge from the 2007 consultation was that the rating system should prompt householders to act in a more environmentally responsible way. The Executive therefore decided to take forward two policy proposals, namely a rate rebate for home owners who carry out cavity wall or loft insulation to their homes; and an initial rate exemption to new homes that are assessed as low or zero carbon.

Initial Impact Assessment

There was no initial impact assessment carried out in relation to these proposals, due to a lack of available data to support the analysis. Since then, the publication, in September 2008, of the Northern Ireland 2006 House Condition Survey has provided some evidence on which to base analysis around the rate rebate scheme. The final impact assessment is therefore based on the evidence contained in that report.

Consultation Responses

Given the absence of an initial impact assessment, there were no responses which directly commented on the potential impact of the schemes in terms of the various assessments, or which provided further evidence to inform the final analysis. Some responses (such as the *Consumer Council* and *Lisburn City Council*) did, however, comment on the fact that lower income households would be less able to afford the energy efficiency works required to claim a rebate.

Final Impact Assessment

- **New Targeting Social Need**

The House Condition Survey contains information on the level of wall and loft insulation for different households. Among this is information on the characteristics of various categories of household, according to the level of insulation in the property. For example, the Survey shows the level of insulation among households with different levels of income. This is relevant to the New TSN impact assessment. The tables below summarise the results presented in the survey:

Table 8: Level of Wall Insulation by Income Group

Income	Full cavity wall insulation (%)	Partial cavity wall insulation (%)	Dry lining and external insulation (%)	No wall insulation (%)
Less than £7,000	57.4	8.6	10.0	24.0
£7,000 - £29,999	63.8	8.0	7.1	21.1
£30,000 plus	63.4	8.2	7.2	21.2

Table 9: Level of Loft Insulation by Income Group

Income	Up to 150mm (%)	More than 150mm (%)	Don't know thickness (%)	No loft insulation (%)
Less than £7,000	80.6	8.8	3.3	7.4
£7,000 - £29,999	81.5	12.6	1.6	4.2
£30,000 plus	77.3	19.0	0.9	2.9

As the table demonstrates, the proportion of properties with either no cavity wall or loft insulation is highest among the most income-poor households. This would suggest that introducing a rate rebate which targets households

who carry out cavity wall or loft insulation work would have a more positive effect on lower income households.

- **Rural Proofing**

The Survey also provides a breakdown of the level of insulation within households in different, broad locational categories. Tables 10 and 11 again set out the results in terms of both cavity wall and loft insulation:

Table 10: Level of Wall Insulation by Location

Location	Full cavity wall insulation (%)	Partial cavity wall insulation (%)	Dry lining and external insulation (%)	No wall insulation (%)
Belfast Met. Area	52.4	6.0	10.1	31.6
District/Other town	71.7	7.0	6.8	14.5
<i>Total Urban</i>	<i>60.9</i>	<i>6.4</i>	<i>8.6</i>	<i>24.0</i>
Small Rural	74.3	7.4	4.1	14.2
Isolated Rural	51.6	17.8	9.0	21.6
<i>Total Rural</i>	<i>63.1</i>	<i>12.5</i>	<i>6.5</i>	<i>17.8</i>

Table 11: Level of Loft Insulation by Location

Location	Up to 150mm (%)	More than 150mm (%)	Don't know thickness (%)	No insulation (%)
Belfast Met. Area	83.9	8.1	1.9	6.1
District/Other town	81.6	13.8	2.1	2.5
<i>Total Urban</i>	<i>82.8</i>	<i>10.7</i>	<i>2.0</i>	<i>4.5</i>
Small Rural	79.1	16.1	1.2	3.6
Isolated Rural	64.4	24.0	1.0	10.6
<i>Total Rural</i>	<i>71.9</i>	<i>13.6</i>	<i>1.7</i>	<i>5.3</i>

On the whole, these results would appear to indicate that there would be no significant differential impact between urban and rural areas arising from a rate rebate scheme for energy efficiency improvements. That is, in terms of cavity wall insulation, the overall proportion of homes in urban areas without any insulation is 24%, compared to 17.8% in all rural areas. However, the highest proportion of properties without wall insulation occurs in the Belfast Metropolitan Area (BMA), with 31.6%. This area also has over 55% of all properties with no wall insulation, despite having just 39% of the measured population.

In terms of loft insulation, again the results suggest that both urban and rural areas could benefit from the scheme. The level of non insulation in urban areas (4.5%) is comparable to that in rural areas (5.3%). Isolated rural communities appear to have the highest proportion of uninsulated homes (10.3%), although also have the highest number with a high level of insulation.

- **Equality Impact Assessment (EQIA)**

The survey does not contain information which would allow the impact of the scheme to be assessed against all the Section 75 groups. The following categories can be examined through the survey:

- persons of different ages;
- persons with and without dependents;
- persons of a different community background

The following tables summarise the results contained in the survey:

Age

Table 12: Level of Wall Insulation by Age Group

Age of HRP	Full cavity wall insulation (%)	Partial cavity wall insulation (%)	Dry lining and external insulation (%)	No wall insulation (%)
17-59	64	8	7.5	20.5
60+	61.1	8.3	7.3	23.3

Table 13: Level of Loft Insulation by Age Group

Age of HRP	Up to 150mm (%)	More than 150mm (%)	Don't know thickness (%)	No insulation (%)
17-59	80.3	15.5	1.4	2.8
60+	81	10	2.1	6.9

Dependency

Table 14: Level of Wall Insulation by Dependency

Dependency	Full cavity wall insulation (%)	Partial cavity wall insulation (%)	Dry lining and external insulation (%)	No wall insulation (%)
Families with dependents	69	7.7	7.1	16.2
Families without dependents	60.5	8.3	7.6	23.6

Table 15: Level of Loft Insulation by Dependency

Dependency	Up to 150mm (%)	More than 150mm (%)	Don't know thickness (%)	No insulation (%)
Families with dependents	79.3	17.7	1.5	1.5
Families	81	11.8	1.7	5.5

without dependents				
--------------------	--	--	--	--

The Survey results show that a relatively higher proportion of families without dependents are in properties without any insulation and also in properties with a lower level of insulation. The policy would therefore appear to benefit most these household types.

Community Background

Table 16: Level of Wall Insulation by Community Background

Background	Full cavity wall insulation (%)	Partial cavity wall insulation (%)	Dry lining and external insulation (%)	No wall insulation (%)
Protestant	60.7	7.8	7	24.5
Catholic	67.1	8.2	7.7	17
Mixed/Other/None	58.8	9.3	9.1	22.8

Table 17: Level of Loft Insulation by Community Background

Background	Up to 150mm (%)	More than 150mm (%)	Don't know thickness (%)	No insulation (%)
Protestant	80.8	12.1	1.7	5.3
Catholic	80.8	14.3	1.4	3.4
Mixed/Other/None	78	17.3	2	2.7

These figures highlight that persons from a Protestant community background are more likely to benefit from the scheme.

Summary of Further EQIA Analysis

Based on the findings of the 2006 House Condition survey, the proposal to provide a rate rebate to households that carry out energy efficiency improvements to their homes is more likely to benefit persons over 60,

families without dependents and those from a Protestant community background. There is no further evidence available to examine the impact on other Section 75 groups.

Conclusion

There was no initial impact assessment carried out around either of these policy proposals due to a lack of available data. Further evidence has since become available through the latest Northern Ireland House Condition Survey, which has allowed some limited analysis to be carried out around the energy efficiency rebate scheme. This indicates that there are already high levels of loft and wall insulation in properties, although many are below current recommended standards. The analysis suggests those households who are most in need of increased insulation are more likely to be income poor. It also shows, though, that there is no significant difference between urban and rural areas. From the limited impact analysis around Section 75 groups, the assessment indicates that persons in the 60+ age category, persons without dependents and those from a Protestant community background are more likely to be in need of support.

Monitoring and Evaluation

This Final IIA is based on an analysis of all the available evidence in relation to the policy proposals set out. It will be important, however, to continue to monitor and to assess the impact that these policies have during their operation. This will also help to inform the eventual evaluation of these schemes.

If the monitoring and evaluation demonstrate that the actual impacts vary from those estimated through this assessment process, the Department intends to identify whether there is a need to amend the policy or to introduce further mitigating measures to overcome any adverse impacts.