

# Budget Savings Proposals Full Equality Impact Assessment (EQIA)

## Section 1: General Information

### 1a) Name of the savings proposal

Improved Income Collection and Debt Management

Item Ref. No: IO/4

### 1b) Service area

Revenues Services

### 1c) Service manager

Roger Jones

### 1d) Name and role of the officer/s completing the EQIA

Roger Jones – Head of Revenue Services

## Section 2: Information about changes to services

### 2a) In brief please explain the savings proposals and the reasons for this change

The London Borough of Tower Hamlets has a duty to recover outstanding debts and wants to ensure that its policies and procedures are both effective and fair to everyone. With this in mind, the Improved Income Collection and Debt Management Programme aims to raise £3.14m of additional income through improved debt management, anti-fraud work, a review of charitable relief, and changes to policy.

This programme will support the framework introduced in the Corporate Debt Recovery Policy and will help guide and govern its approach to the collection and enforcement of all income due to the Council. It is intended to promote good practice in terms of collection and enforcement and to ensure that through improved intelligence sharing, a more holistic approach can be taken, identifying those residents who are struggling to pay their bills. It will promote consistency in our approach to Debt Recovery that will maximise income, minimise write offs, and take into account ability to pay and vulnerability throughout the enforcement process.

#### Better debt management

The project aims to improve systems and use functional consolidation to support better debt management. As part of this, a new online portal for sundry debts is already being implemented. In addition, the project is supporting the functional consolidation of some currently separate debt functions into the central service – most significantly, from parking. These improvements will make better use of existing information through improved systems and support greater collection and recovery, minimise write-offs and produce some efficiency savings. This element of the project aims to deliver at least £750k per annum additional income from higher debt recovery rates.

#### Anti-fraud work – a dedicated review to minimise misuse of the single person discount

The Council aims to reduce the proportion of people who are incorrectly claiming single person discount to 30%, by undertaking additional work to identify potential fraudulent applications. Reducing the single person discount to 30% will deliver the Council £1,547k additional income over 3 years.

#### Policy review: reducing void property exemptions

Tower Hamlets is 1 of only 4 Councils in London offering 50% discount on the payment of Council Tax for properties that are considered to be Long Term Voids. When a property becomes void, and is unfurnished, it is exempt from Council Tax for a period of 6 months and then is considered to be long term void and will attract a 50% charge.

Reducing the discount allowed to zero would deliver approximately £385k additional income and as a consequence of charging full council tax in void properties, this will encourage landlords, where possible, to relet their properties as quickly as possible.

#### Review of NNDR Charitable Relief

The Council currently gives NNDR charitable relief to registered charities. Mandatory Relief is funded at 80% of NNDR by central government, with no cost to the Council. Discretionary Relief is an optional benefit, where the council subsidises 75% of the remaining cost (15% total NNDR) with central government meeting the remaining 5% of NNDR. During 2010/11 the Council awarded £719,558 in charitable discretionary relief, costing the Council £539,669.

#### Review of Discretionary NNDR Relief for Non-Profit Making Bodies:

The Council has discretion to fund NNDR relief for other non-profit making organisations, which are not registered charities. The Government reimburses the Council with 75% of the discretionary rate relief granted to organisations not established or conducted for profit, so 25% of the cost falls directly on the Council. This year the Council awarded £242,434 non-profit discretionary relief, costing the Council £60,608.

It is good practice to review NNDR charitable relief every two years and in February 2011 all recipients of Charitable Relief will receive a letter informing them that a complete review will take place beginning in October 2011. The impact on local charitable and non profit making organisations will be limited to those organisations making significant profits such as The Tower of London and Museum of Docklands. In all other cases the purpose of the review will be to ensure that their circumstances remain unchanged, they still occupy the business premises and therefore remain entitled to the Relief.

## **2b) What are the equality implications of your proposal?**

All savings proposals have been screened for equalities relevance using the test of relevance questionnaire attached at Appendix A. Please go back to each of the test of relevance questions and **using evidence** please provide a more detailed analysis of the equality impact of your proposal.

One element of the proposal is the functional consolidation of some elements of debt management. This may lead to a small number of FTE reductions, however this has yet to be confirmed. Should it transpire that this will be the case, a full EQIA will be carried out as part of the Managing Organisational Change procedure.

As a result of the review of the business rates charitable relief will affect a small number of businesses currently in receipt of the relief. These include the Tower of London and the Museum of London.

The overall policies and objectives apply equally to all of the Borough's residents and ratepayers. There is however, in this economic climate, a potential for specific target groups to fall victim to spiralling debt and hardship. Increased liaison with advice agencies, closer working arrangements via the corporate collection forum and the development of a corporate debt policy will help identify potential cases and ensure a consistent approach in this area.

### Better debt management

The debt management work stream will support a more co-ordinated approach to debt management with an improved service to all residents and businesses in Tower Hamlets. The consolidation will reduce the potential for multiple Council services to contact debtors independently and support the better use of customer information. The programme will help the Council align its collection and enforcement processes and help achieve the overall objectives of the Community Plan, not only in terms of vulnerability, but also ensuring residents have the support, skills, and encouragement to help them manage their debts appropriately. It will also promote the 10 areas of good practice outlined in the Corporate Debt Recovery Policy helping achieve good collection rates and realise the objectives of equality and personal responsibility inherent in the One Tower Hamlets theme.

### Anti-fraud work – a dedicated review council tax single person discount

The review of SPD will apply equally to all those currently claiming the discount.

### Policy review: reducing void property exemptions

After 6 months, all void properties will no longer attract a 50% reduction in the council tax payable. This will encourage landlords to let their empty properties.

The impact will be on both public and private sector landlords as follows:

- Private Owners – 60% (a majority of which will be unsold new builds)
- Tower Hamlets Homes – 15%
- Registered Social Landlords – 25%

#### Charitable Relief

It is good practice to review NNDR charitable relief every two years. The impact on local charitable and non profit making organisations will be limited to those organisations making significant profits such as The Tower of London and Museum of Docklands. In all other cases the purpose of the review will be to ensure that their circumstances remain unchanged, they still occupy the business premises and therefore remain entitled to Discretionary Relief.

The main stakeholders in relation to these proposals are:

- Every resident and business located in the borough
- All people and businesses that use the Council's services inside and outside the borough
- Central Government and all Council Directorates
- All those services contracted out to external agencies as part of the enforcement process

The overall programme objectives apply equally to all of the Borough's residents and ratepayers. There is however, in this economic climate, a potential for specific target groups to fall victim to spiralling debt and hardship.

It is essential that third sector involvement is maintained so that good advice is available to those struggling to pay their bills.

However it is recognised that funding to the advice agencies will be reduced which may impact on the amount of direct contact from taxpayers. This will be monitored to ensure advice is available.

### Section 3: Equality Impact Assessment

With reference to the analysis above, for each of the equality strands in the table below please record and evidence your conclusions around equality impact in relation to the savings proposal.

<p><b>Race</b></p> <p><i>Identify the effect of the policy on different racial groups.</i></p>	<p>Will the change in your policy/service have an adverse impact on specific ethnic groups? no Please describe the analysis and interpretation of evidence to support your conclusion.</p> <p>The service impacts on every resident of the Borough. The evidence available supports the conclusion that, in overall terms, it has no detrimental impact on any particular race group.</p> <p>The overall policies of collection and enforcement are constructed on the basis that non-payment is treated exactly the same way regardless of the racial back ground of the individual. All documents can be translated into any language in written or oral form. Telephone and personal enquiries can be dealt with using an interpreter service.</p>
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**Disability**

*Identify the effect of the policy on different disability groups*

Will the change in your policy/service have an adverse impact on disabled people? no  
Please describe the analysis and interpretation of evidence to support your conclusion.

The service impacts on every resident of the Borough. The evidence available supports the conclusion that, in overall terms, it has no detrimental impact on any particular equalities group.

The overall policies are constructed on the basis that non-payment is treated in exactly the same way regardless of the circumstances of the individual. All documents can be translated into any language in written or oral form. Phone and personal enquiries can be dealt with using an interpreter service. Correspondence is offered in Braille, or on tape, and council buildings are accessible by wheelchair.

<p><b>Gender</b></p> <p><i>Identify the effect of the policy on different gender groups (inc Trans) groups</i></p>	<p>Will the change in your policy/service have an adverse impact on men or women? no Please describe the analysis and interpretation of evidence to support your conclusion.</p> <p>The programme impacts on every resident of the Borough. The evidence available supports the conclusion that, in overall terms, it has no detrimental impact on any particular gender.</p> <p>The service users are identified by gender in the annual residents survey and census, as it impacts on all (or most adult) residents. From the evidence gathered, there is no indication that the service adversely impacts or unlawfully discriminates.</p> <p>.</p>
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<p><b>Sexual Orientation</b></p> <p><i>Identify the effect of the policy on members of the LGB community</i></p>	<p>Will the change in your policy/service have an adverse impact on lesbian, gay or bisexual people? no Please describe the analysis and interpretation of evidence to support your conclusion.</p> <p>The service impacts on every resident of the Borough. The evidence available supports the conclusion that, in overall terms, it has no detrimental impact on any particular group due to their sexual orientation.</p> <p>The overall policies are constructed on the basis that non-payment is treated in exactly the same way regardless of the sexual orientation of the individual.</p>
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**Religion  
and Belief**

*Identify the  
effect of the  
policy on  
different  
**religious  
and faith**  
groups*

Will the change in your policy/service have an adverse impact on people who practice a religion or belief? no  
Please describe the analysis and interpretation of evidence to support your conclusion.

The programme impacts on every resident of the Borough. The evidence available supports the conclusion that, in overall terms, it has no detrimental impact on any particular religion/belief groups.

The overall policies are constructed on the basis that non-payment is treated in exactly the same way regardless of the religious belief of the individual.

<p><b>Age</b></p> <p><i>Identify the effect of the policy on different age groups using the prompts above</i></p>	<p>Will the change in your policy/service have an adverse impact on specific age groups? no Please describe the analysis and interpretation of evidence to support your conclusion.</p> <p>The service impacts on every resident of the Borough. The evidence available supports the conclusion that, in overall terms, it has no detrimental impact on any particular age group.</p> <p>The overall policies are constructed on the basis that non-payment is treated in exactly the same way regardless of the age of the individual.</p>
<p><b>Socio-economic</b></p> <p><i>Identify the effect of the policy in relation to socio-economic inequalities</i></p>	<p>Will the change in your policy/service have an adverse impact on people with low incomes? no Please describe the analysis and interpretation of evidence to support your conclusion.</p> <p>The overall policies are constructed on the basis that non-payment is treated in exactly the same way regardless of the socio-economics of the individual. Whilst council tax and housing benefit exists to ensure that liability is based on ability to pay, unexpected changes in circumstances could lead to non-payment which is dealt with severely. Delays in processing or applying for benefit entitlement can induce additional hardship.</p> <p>Legislation and performance indicators encourage collection whilst claims are being determined.</p>

<p><b>Other</b></p> <p><i>Identify if there are groups, other than those already considered, that may be adversely affected by the policy?</i></p>	<p>Will the change in your policy/service have an adverse impact on any other people (e.g. carers)? no Please describe the analysis and interpretation of evidence to support your conclusion.</p> <p>The overall policies are constructed on the basis that non-payment is treated in exactly the same way regardless of the individual status.</p>
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<p><b>Staff</b></p> <p><i>Identify if there are any staff groups, , that may be adversely affected by the policy?</i></p>	<p>Will the change in your policy/service have an adverse impact on staff?       yes Please describe the analysis and interpretation of evidence to support your conclusion.</p> <p>One element of the proposal is the functional consolidation of some elements of debt management. This may lead to a small number of FTE reductions, however this has yet to confirmed. Should it transpire that this will be the case, a full EQIA will be carried out as part of the Managing Organisational Change procedure.</p>
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#### Section 4: Equality Impact Assessment Action Plan

Please list in the table below any adverse impact identified and, where appropriate, steps that could be taken to mitigate this impact.

If you consider it likely that your proposal will have an adverse impact on a particular group (s) and you cannot identify steps which would mitigate or reduce this impact, you will need to demonstrate that you have considered at least one alternative way of delivering the change which has less of an adverse impact.

<b>Adverse impact</b>	<b>Please describe the actions that will be taken to mitigate this impact</b>
The overall policies and objectives apply equally to all of the Borough's residents and ratepayers. There is however, in this economic climate, a potential for specific target groups to fall victim to spiralling debt and hardship.	Increased liaison with advice agencies, closer working arrangements via the corporate collection forum and the development of a corporate debt policy will help identify potential cases and ensure a consistent approach in this area.

If an adverse impact cannot be mitigated please describe an alternative option, its costs and the equality impact.

## **Section 5: Future Review and Monitoring**

Please explain how and when the actual equality impact of these changes will be reviewed and monitored.

Complaints will be monitored continuously.

Information from the electronic customer questionnaire and telephone survey will be continuously monitored throughout the year.

Staff that work in the community, will be requested to gather equalities information as part of their customer service duties.

The Corporate Collection Forum will continue to monitor performance and the impact of the programme.

## APPENDIX A: Equality Impact Assessment Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
<b>Does the change reduce resources available to address inequality?</b>	no	<ul style="list-style-type: none"> <li>• What outcome did the previous intervention seek to achieve?</li> <li>• What evidence do you have about how effective the previous intervention was?</li> </ul>
<b>CHANGES TO A SERVICE</b>		
<b>Does the change alter access to the service?</b>	no	<ul style="list-style-type: none"> <li>• Is there evidence that access will be more difficult or costly for some people?</li> </ul>
<b>Does the change involve revenue raising?</b>	no	The change involves increased levels of revenue collection from existing debtors
<b>Does the change alter who is eligible for the service?</b>	Yes	The review of the business rates charitable relief will affect a small number of businesses currently in receipt of the relief
<b>Does the change involve a reduction or removal of income transfers to service users?</b>	no	<ul style="list-style-type: none"> <li>• What evidence do we have on who has benefits from these transfers?</li> <li>• What is the likely impact of the removal of the income to current beneficiaries?</li> </ul>

<b>Does the change involve a contracting out of a service currently provided in house?</b>	<b>no</b>	<ul style="list-style-type: none"> <li>Is there a need to include promotion of equality in the new contract arrangements?</li> </ul>
<b>CHANGES TO STAFFING</b>		
<b>Does the change involve a reduction in staff?</b>	<b>Potentially</b>	One element of the proposal is the functional consolidation of some elements of debt management. This may lead to a small number of FTE reductions, however this has yet to be confirmed. Should it transpire that this will be the case, a full EQIA will be carried out as part of the Managing Organisational Change procedure
<b>Does the change involve a redesign of the roles of staff?</b>	<b>No</b>	<ul style="list-style-type: none"> <li>What evidence is there that this could have an impact on equal pay?</li> <li>Does the change reduce the ability of staff to work flexibly?</li> </ul>