

## EQUALITY IMPACT ASSESSMENT

An Equality Impact Assessment (EqIA) is a review of a new or existing policy which establishes whether the policy has a differential impact on specific equality groups and identifies how the policy can help promote inclusion and improve equality of opportunity for different groups of people. The term policy is interpreted broadly and refers to anything that describes what we do and how we expect to do it. It can range from policies and procedures, to strategies, projects, schemes and everyday customs and practices that contribute to the way our policies are implemented and how our services are delivered. An EqIA aims at improving the WMCA's work, by promoting equality and ensuring that the proposed or existing policy promotes equality can benefit a wide range of people and will not disbenefit

<b>DIRECTORATE</b>	TfWM
<b>PEOPLE RESPONSIBLE FOR CONDUCTING AND OVERLOOKING ASSESSMENT</b>	David Harris Sangeeta Ahir
<b>NAME OR TITLE</b>	WASPIs
<b>DATE OF COMPLETION</b>	February 2019
<b>DATE DUE FOR REVIEW</b>	N/A
<b>PERSON RESPONSIBLE FOR ARRANGING REVIEW AND MONITORING</b>	N/A

### A. ABOUT THE POLICY

#### **1. Describe the main aims, objectives, activities and outcomes of the policy. Who is expected to benefit?**

From the 1940s men had received their pension at 65 and women at 60. In 1995 changes were introduced to equalise the pensionable age for women in line with that of men. The Pension Act 1995, meant women previously set to receive their pension at 60 would face phased age increases over the period between April 2010 and 2020. Those within the WASPI cohorts born on earlier dates (on or after April 1953) would have to wait a minimum of an additional 3 years to receive their pension whereas younger WASPI women would not receive it until 65 and eventually 66 extending their working life.

The Pensions Act 2011 accelerated the 1995 Act bringing forward the increase in women's state pension age to 65 from April 2020 to November 2018.

This has resulted in thousands of women experiencing financial difficulties as a result of the changes and the limited notice periods.

The Concessionary Bus Travel Act 2007 sets out the statutory entitlement to free off peak bus travel for older people in England between the hours of 09:30am and 11:00pm Monday to Friday and all day at weekends anywhere in England. Travel Concession Authorities can choose to offer enhancements over and above the statutory entitlement. TfWm funds free off peak train and tram for pass holders and extends the arrangements for bus journeys until the end of the day. In April 2010 the Government changed the eligibility age bringing it in line with state pension age. Certain women (as described above) were affected.

The proposal is in relation to a Women's Concessionary Travel Scheme pass to provide free off-peak local bus and Metro travel to be launched in July 2019.

Due to funding availability the proposal is in line with the TfGM approach and includes women born on or after March 6<sup>th</sup> 1954-November 5<sup>th</sup> 1954. The initial WASPI women have already reached pensionable age but of this cohort there is still a small group who could benefit for a maximum of around 15 months (and a minimum of around 2 months) from this scheme (around 9,000 women).

Implementation wise an online application process would be put in place but there will be options to obtain a paper application form via the customer contact centre.

## **B. EQUALITY RELEVANCE/IMPACT**

### **2. Does the policy affect the public or employees directly or indirectly? In what ways?**

The proposed initiative will have direct positive impact on West Midlands residents (women) born between March and November 1954 who will be eligible for a free Metro and bus pass. It may also have an impact on women affected by the wider policy changes who fall outside the eligible free pass dates as well as men affected by the wider policy changes who will not be receiving a pass.

### **3. What information is available on the equality issues in the key target groups<sup>1</sup>? (what inequalities, discrimination /and health inequalities currently exist in relation to the target groups? What information/data do you have that explains why these inequalities exist and how they are maintained?)**

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<sup>1</sup> Equality target groups: Age, gender disability, race, religion and belief, pregnancy and maternity, socio-economic, sexual orientation

Key West Midlands MET area data (demographics as per 2011 Census)

Ethnicity: 34% BME (46.9% in Birmingham, the most ethnically diverse city in the region. Solihull is the least diverse with 14.2% being BME). Asian British (Indian and Pakistani) are the largest minority groups, with strong presence especially in Birmingham, Coventry, Sandwell and Wolverhampton. They are followed by Black British (Caribbean), White other and Black British (African) and Mixed (White and Black Caribbean). The above figures relate to the 2011 Census and local/regional population estimates show that the figures are higher with Birmingham being a "Black majority city". There are distinct concentrations of minority ethnic communities within the metropolitan area.

Religion and Belief: 53.8% of the MET population are Christian, 20.3% have no religion, 12.2% are Muslim, 4.3% Sikh and 2.2% Hindu. These figures change depending on where you live – so in Coventry, 21.8% of the population are Muslim and in Sandwell 8.7% are Sikh.

Gender: In line with national figures, 49.2% are male and 50.8% are female.

Age: The West Midlands Metropolitan area has one of the highest proportions of population aged under 16 and a lower proportion of people aged over 65 compared with other regions. The mean age is 37.4 which compares to 39.4 in England and Wales. The only districts that slant older are Solihull and Dudley. Walsall has got a higher proportions of younger aged groups but it also has a higher proportion of people above retirement age. Birmingham specifically is described as the youngest city in Europe, with under 25s accounting for nearly 40% of the population. The younger population, with the proportion of people aged 0 to 19, is projected to drop slightly from 26.7% in 2012 to 25.8% in 2037. The West Midlands Metropolitan area also generally has a lower percentage of people aged 65+ with the exception of Solihull and Walsall that have higher proportions of people above retirement age than nationally.

The number of people aged 85 or more will double between now and 2041.

Sexual orientation: 1.3% of the West Midlands population identified themselves as gay, lesbian or bisexual. However, key organisations such as Stonewall estimate the figure to be higher at 5-7%.

Disability: The West Midlands Metropolitan area has a larger percentage of people in households with a limiting long-term illness (6% of households compared to 4.7% in England and Wales). It also has a slightly larger proportion of disabled people than England and Wales (19% versus 18% in England and Wales).

More and more people are living with impairments or wit or beyond serious illness.

The people affected by the pension policy changes were born in the 50s. Even though it is not possible to provide statistical information in relation to that age group as part of that EqlA it is worth noting that:

- Gender equal pay, maternity leave rights and sex discrimination legislation came into force later in the lives of women born in the 50s
- Employment rates for women born in the 50s were lower and expectations regarding caring responsibilities were higher.
- 55% of women were in employment in 1975. The majority of these women were working part-time (over 80%).
- Women born in the 50s started having caring responsibilities at an earlier age (as they generally had children at an earlier age) and it was expected that childcare responsibilities were a female “job”.
- Women born in their 50s were much more likely to drop out of the labour market around the time they had their first child. Only 40% of women born in 1958 were still in work 2 years after the birth of their first child.
- The proportion of couples with children where only one adults works was 47% in 1975.
- Women born in the 50s were much more likely to be in lower paid jobs than men
- WASPI women were not of an age that had private pensions and they would also be on lower incomes which would make it harder for them to save and invest in private pensions

### Benefits since 2013

Despite a significant fall in JSA/UC caseload, there is a significant increase in women aged 60 plus claiming these benefits (219%) compared to men (75%) which may indicate that the SPA changes may have been somewhat responsible. There is also significant divergence between genders in respect of incapacity benefits: women over 60 (+162%) and men over 60 (18%).

**Table 3: People claiming working-age out-of-work benefits**

People claiming selected DWP working-age out-of-work benefits, Great Britain						
Change, May-13 to May-18, by age band	JSA and UC out-of-work			Incapacity benefits (ESA and predecessor benefits)		
	Female	Male	Total	Female	Male	Total
<b>Number of claimants</b>						
Working age total	-106,609	-358,022	-464,631	+8,401	-119,046	-110,648
16 – 54	-123,568	-363,751	-487,319	-94,958	-126,615	-221,581
55 – 59	+358	-10,510	-10,154	-13,419	-21,110	-34,529
60+	+16,600	+16,244	+32,843	+116,775	+28,684	+145,455
<b>Percentage change</b>						
Working age total	-22%	-40%	-34%	1%	-9%	-5%
16 – 54	-28%	-45%	-39%	-12%	-14%	-13%
55 – 59	+1%	-18%	-11%	-6%	-11%	-8%
60+	+219%	+75%	+113%	+162%	+18%	+63%

Source: DWP Stat-xplore, accessed 16<sup>th</sup> November 2018

Note Statistical disclosure control has been applied to figures to avoid release of confidential data, so components may not sum exactly to totals

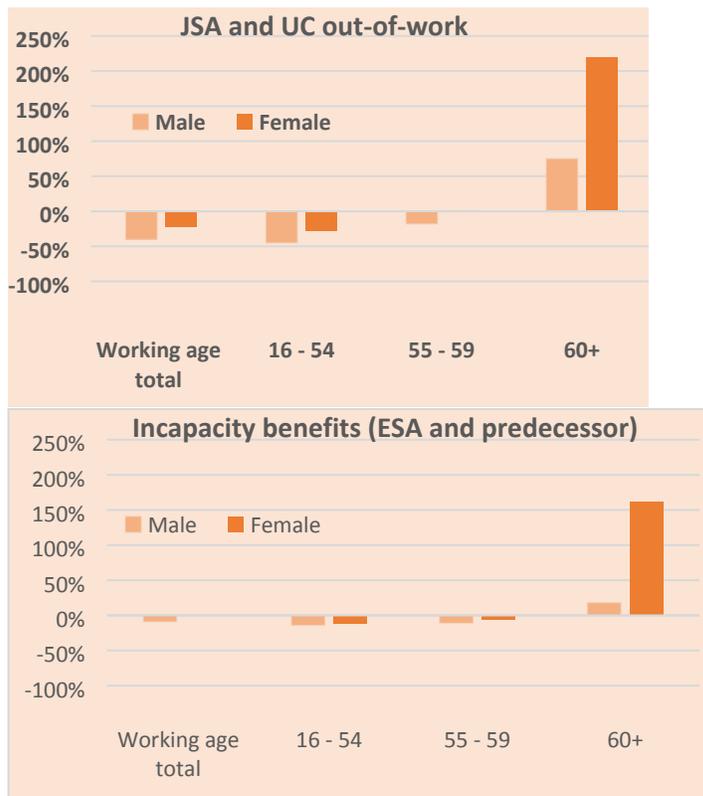
JSA = Job Seekers Allowance UC = Universal Credit for the out-of-work ESA/predecessor benefits comprise: Incapacity Benefit, Severe Disablement Allowance (SDA), and Income Support on grounds of incapacity. Since 2010, claimants of the aforementioned legacy benefits have been reassessed and migrated to ESA if entitled.

**Table 4: Effect of increasing female state pension age from 60 to 63 on receipt of different sources of individual income**

	Effect of being under state pension age	Mean for 60 to 62 year olds pre-reform
In paid work	+9.8***	38%
In full-time paid work	+7.1***	16.5%
In part-time paid work	+3.7**	21.4%
Receives any state benefits	-72.9***	99.6%
Receives occupational pension	-3.2**	33.2%
Has investment income	-1.5	70.1%

Note: \*\*\*, \*\* and \* denote that the effect is significantly different from zero at the 1%, 5% and 10% level respectively. There are 19,086 observations in all models. All effects are obtained by estimating equation (1) using a probit model. Standard errors are estimated by bootstrapping with 1,000 replications. Pre-reform means are estimated from FRS data in 2007–08 to 2009–10.

**Chart 1: Percentage change in claimants of selected DWP working-age out-of-work benefits, by gender and age band, May 2013 to May 2018**



Source: DWP Stat-xplore and House of Commons Library calculations

## Pension Act changes and the impact on women and men

Broadly speaking, women who are between 63 years 11 months and 64 years and 7 months old are approximately three times more likely to be affected negatively by the 2011 Pensions Act changes than men.

This is because the Pensions Act 2011 accelerated the timetable for equalisation of state pension ages of men and women, with increases happening far more quickly for women than men.

WMCA is of the view that this has resulted in the WASPI cohort of women (as defined in the proposed concessionary scheme) being worse off financially as a direct consequence of having to wait longer for their pension income (than was initially set out in the 1995 Pensions Act), alongside a shorter notice period (than the 1995 Act gave them) which they have had to adjust to. On average this is an additional wait of approximately 5 years 6 months to be eligible for the proposed concessionary scheme compared to eligibility option 2. This length includes the additional 18 months added on by the 2011 Pensions Act before reaching SPA (see table below). Alongside this, additional benefits which correspond with the SPA such as the ENCTS pass have also been delayed.

While it is true to say men born in the same date range as the female cohort in the proposed scheme have also seen an increase in their SPA, it has been at a considerably slower rate than women and for a maximum delay of only 11 months.

If we were to offer the concessionary scheme to a larger group of WASPI women (as in option 2) which covers those born as late as 5.5.1955 – those affected by the changes to the SPA timetable decreases to between 12 – 18 months wait. For option 3, this is even harder to justify with some only waiting an extra 0 – 12 months.

The table below explains the extent of the wait for WASPI women receiving their SPA in all three cohort groups presented in the board report. The column in yellow highlights the specific cohort group option 1 will cover.

**Table 1: Extent to which women are affected by the SPA changes**

WASPI women: born in the 1950s affected by changes to the SPA by the 1995,2007 and 2011 Pension Acts*											
Women born...	Between 6th ..... and 5 <sup>th</sup>	Apr-50	Apr-51	Apr-52	Apr-53	Oct-53	Dec-53	Apr-54	Oct-55	Apr-55	Apr-59
		Apr-51	Apr-52	Apr-53	Oct-53	Dec-53	Apr-54	Oct-54		Apr-59	Apr-60
<b>Impact of the...</b>											
<b>1995 Act compared to SPA of 60</b>	From	1 day	1y 1d	2y 1d	3y 1d	3y 6m 1d	3y 8, 1d	4y 1d	4y 6m 1d	5 years exactly	
	To (inclusive)	1 year	2 years	3 years	3y 6m	3y 8m	4 years	4y 6m	5 years		
<b>2007 Act compared to 1995 Act</b>	From	No Impact									1 day
	To (inclusive)										1 year
<b>2011 Act compared to 1995 &amp; 2007 Acts</b>	From	No Impact			2 months	1y 2m	1y 6m	1y 6m	1 year	1 year	0 days
	To (inclusive)				1 year	1 y 4m	exactly	exactly	1y 6m	exactly	1 year
<b>Sum Impact of all Acts compared to SPA of 60</b>	From	1 day	1y 1d	2y 1d	3y 2m 1d	4y 8m 1d	5y 2m 1d	5y 6m 1d	6 years exactly		
	To (inclusive)	1 year	2 years	3 years	4y 6m	5 years	5y 6m	6 years			

\*The **sum impact** row shows the aggregate increase in SPA compared to an SPA of 60. The **maximum increase** experienced by a woman born in the 1950s is 6 years in total. House of commons Library calculations based on ONS/NRS/NISRA mid-year 2017 population estimates. In yellow is the cohort of women the proposed scheme would support.

**Table 2: Extent to which men are affected by the SPA changes**

Men: born in the 1950s affected by changes to the SPA by the 2011 Pension Act												
Women born...	Between 6th ..... and 5 <sup>th</sup>	Apr-50	Apr-51	Apr-52	Apr-53	Oct-53	Dec-53	Apr-54	Oct-54	Apr-55	Apr-59	
		Apr-51	Apr-52	Apr-53	Oct-53	Dec-53	Apr-54	Oct-54	Dec-54	Apr-59	Apr-60	
<b>2011 Act</b>	From	No Impact					4m -	7m -	11 months			
	To (inclusive)						6m	11m				

WASPI women’s likelihood of having a private pension and savings compared to men of the same age or other age groups

A range of data demonstrates that the cohort of women aged 60 - 63 tend not to be of an age group that had private workplace pension, and therefore relies more heavily on the state pension. Being of a generation who took career breaks to raise children or become carers for elderly relatives has resulted in them being in employment for a far lesser time than men.

In turn, women in their early 60s who have accrued pension savings are also significantly less than those of men and according to the Chartered Insurance Institute, the average 65-year-old woman has only £35,800 in her pension/savings, compared with £179,000 for the average 65-year-old man.<sup>2</sup> Similarly only 70.6% of women of this age group have a workplace pension compared to 80.6% of women aged 40-55.

Regionally, ONS data on household savings ratios also demonstrates that savings have declined from 9.1% in 2013 to 3.8% in 2018, indicating that household budgets over the last 5 years have been under greater pressure, with far less money being set aside for retirement and no alternative sources of income to draw upon while waiting for their SPA.

#### Deprivation figures

Evidence demonstrates that increases in income poverty for women between 60 - 63 are higher than women from other age groups and men of the same age.

Evidence gathered from the Institute of Fiscal Studies shows a direct correlation between women receiving lower household incomes (due to the increase in the SPA) and experiencing absolute income poverty.

After Housing Costs, estimate poverty rates were found to have increased by 6.4%, while for Before Housing Costs poverty rates had increased by 8.7% - resulting in up to 23.4% of 60 – 63 year olds living in poverty (based on the group surveyed). In particular single women; renters; those with no post-16 education or those living in a high poverty region (including the West Midlands) were more likely to see higher rates of absolute poverty. The tables below shows the effect of increasing female state pension age from 60 to 63 on the probability of those women being in absolute poverty (AHC) for different subgroups.

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<sup>2</sup> Chartered Insurance Institute (2017) Women's Pensions Deficit Report/Research

**Table 5: Levels of absolute poverty affecting women aged 60 - 63**

	Effect of being under state pension age	Mean for 60- to 63-year-olds pre-reform	Current poverty rates
<b>Women</b>			
Women In absolute poverty (Before Housing Costs)	+8.7%	14.7%	23.4%
Women In absolute poverty (After Housing Costs)	+6.4%	14.8%	21.2%
<b>Men</b>			
Men In absolute poverty (Before Housing Costs)	+7.2%	12.7%	19.9%
Men In absolute poverty (After Housing Costs)	+ 6.1%	12.8%	18.9%

**Table 6: Levels of absolute poverty affecting women aged 60 - 63**

	Effect of being under state pension age	Mean for 60 to 62 year olds pre-reform
All	+6.9***	14.8%
Single In a couple	+13.5*** +4***	20.3% 12.8%
Owner-occupier Renter	+5.3*** +13.8***	12.3% 25.6%
Post-16 education	+2.8	9.2%
No post-16 education	+8.8***	16.7%
Lower poverty region	+6.9***	13.4%
Higher Poverty Region	+7.1***	16.3%

Note: \*\*\*, \*\* and \* denote that the effect is significantly different from zero at the 1%, 5% and 10% level respectively. Lower poverty regions are: East of England, East Midlands, Scotland, South East and South West. Higher poverty regions are: London, North East, Northern Ireland, North West, Wales, West Midlands and Yorkshire and Humberside. Pre-reform poverty rates are estimated from FRS data in 2007–08 to 2009–10

In addition, the Institute of Fiscal studies showed that increases in the female SPA had reduced a women's state benefit income significantly (by £32 per week) on average compared to someone with a pension or males of the same age group. In turn leaving some women worse off by around £45k.

Furthermore, the average woman's state pension is currently worth £126 a week, compared with the average man's at £154 because of the deficit in national insurance contributions.

Yet this increase in absolute poverty and income poverty is also only temporary and not persistent once women reached the SPA.

## Bus travel and socio-economic factors

The groups in the lowest socio-economic groups, with lower incomes are less likely to own a car (56% in 2017 compared to 77% amongst all households) and this group of people makes the most trips per person per year by local bus. WASPI women may fall into lower income groups and be more reliant on public transport. The introduction of a Women's Concessionary Travel Scheme would support those women on the lowest incomes; who make nearly three times more trips by bus than higher income groups. National Travel Survey data demonstrates the stark differences in the numbers of trips lower income groups make on public transport, compared to higher income groups; an issue echoed by the WASPI women in a meeting with TfWM Officers on 18.2.19.

The table below demonstrates the difference in trips being taken by bus and private car by lower income groups including some WASPI women within the cohort.

**Table 7: Number of trips made by low income older people**

Mode	Number of Trips made per by real household income quintile				
	Lowest real income level	Second level	Third level	Fourth level	Highest real income level
<b>Bus</b>	55	54	37	24	18
<b>Car</b>	241	348	419	470	468

Source: National Travel Survey Data (2017)

Some WASPI women find public transport unaffordable due to financial hardship. While WASPI women on lower incomes make more public transport trips, the impact of SPA changes have had an effect on their ability to use public transport. From speaking to the WASPI women directly (18.2.19), many experienced difficulties in affording public transport due to their wider economic disadvantage. Evidence from other city regions also found that women aged between 60 – 63 were using public transport slightly less than women in their late 50s and those who had reached the SPA. Despite only slight differences, their financial lost together with the cost of public transport growing more quickly than inflation since 2016 would indicate that the cost of travel was impacting on their accessibility levels and their ability to access key opportunities. A travel concession would therefore most likely assist this cohort by helping ease the pressure on household budgets and minimise their current financial disadvantage.

**4. Is the policy likely to have a positive or negative impact on any equality target groups? Please elaborate** (Is it likely to affect some groups differently in either a positive or negative way? What elements of the policy will have a differential impact?)

The proposed initiative is likely to have direct positive impact on West Midlands residents (women) born between March and November 1954 who will be eligible for a Metro and bus pass. The Pensions Act 2011 accelerated the timetable for equalization of state pension ages of men and women. This has resulted in women being worse off financially as a consequence of having to wait longer for their pension income than was initially set out in the 1995 pensions act, alongside a shorter notice period in which to adjust. The initiative will enable women to be granted an ENCTS pass earlier than will be the case based upon the 2011 changes which will have a positive impact especially if the women come from a lower socio-economic background. The women more likely to apply for the bus are bus users – women of that age cohort using the buses frequently are more likely to be on lower incomes as bus users are generally more likely to be financially worse off (lower car ownership, bigger reliance on public transport/buses).

Those born earliest within the cohort group will benefit for a period of approximately 2 months and those born latest for a period of 15 months (with implementation date of July 2019). The women benefiting from this scheme are the ones of greatest concern to the WASPI campaign as they are the ones most adversely affected by the 2011 changes.

The proposals are likely to have a negative impact on women who have been affected by the 2011 changes but fall outside of the cohort to receive the pass. However, the women within the chosen cohort do suffer the greatest increase in pension age. The increase reduces across later age ranges. Therefore the negative impact for the women outside the chosen cohort is smaller.

Also, men born between 1953 and 1960 for whom the SPA increased from 65 to 66 will also be negatively impacted as they have seen an increase in SPA. However, the rate for men is slower than for women and women would have traditionally been more likely to have suffered a disadvantage connected to their sex. Figures wise, it is estimated that approximately three times as many women as men were affected by the 2011 changes in 2018/19. Men would also be impacted for a smaller period of time (more info is provided in question 3).

**5. Have you consulted interested parties (including representatives from the equality target groups ) who will/may be affected by the policy? What were the outcomes of the consultation? If you haven't conducted consultation, is there need for consultation and who are you planning to consult?**

Engagement has taken place with the WASPI women campaigning for womens' pension rights who are in favour of the concessionary pass proposals

**6. Is further research needed (i.e. consultations, working groups, surveys, data) to properly assess impact on the different equality target groups? If yes, how will it be undertaken and by when?**

Further research is not needed at this stage

**7. Do you think that the policy in the way it is planned and delivered will have a negative, positive or no impact on any of the equality target groups (please tick as appropriate)?**

**Positive impact:** where the impact on a particular group of people is more positive than for other groups

**Negative impact:** where the impact on a particular group of people is more negative than for other groups

**Neutral impact:** neither a positive nor a negative impact on any group or groups of people, compared to others.

EQUALITY TARGET GROUP	AGE	GENDER (including gender reassignment)	DISABILITY	MATERNITY	RACE	RELIGION/BELIEF	SEXUAL ORIENTATION	SOCIO-ECONOMIC
POSITIVE IMPACT	√	√						√
NEGATIVE IMPACT	√	√						
NEUTRAL IMPACT			√	√	√	√	√	

**8. If adverse/negative impact is noted to any of the listed equality target groups, can it be justified, i.e. on the grounds of promoting equality of opportunity for any other group/s?**

Both positive and negative impact has been identified in relation to age and gender. While the initiative may have a positive impact on the cohort of women outlined above, it may have a negative impact on men born during the same period and on women falling outside of the cohort. However, as outlined above, the WASPI women within the cohort suffer a disadvantage specifically connected to their sex. The women within the cohort are also disproportionately affected compared to women outside of the cohort due to the fact that the increase reduces across later age ranges. Provided consideration has been given to other ways in which the disadvantage suffered by WASPI women can be minimized and this has been deemed as the most effective one adverse impact to these groups can possibly be justified on the grounds of minimising the disadvantage suffered by WASPI women within the cohort.

## 9. ACTION PLAN

**What practical actions can be taken to promote inclusion and reduce/remove any adverse/negative impact?**

<b>Issues to be addressed</b>	<b>Actions required</b>	<b>Responsible officer</b>	<b>Timescales</b>	<b>How would you measure impact/outcomes in practice</b>
Proportionality of action	Ensure that different options have been considered to minimise the disadvantage suffered by WASPI women and that the selected options is the best possible option	David Harris	At design stage	Measurement will be based on whether any challenges are made against the scheme  Evidence produced to ensure the decision/chosen option is proportionate