

Integrated Impact Assessment

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IIA review checklist

For internal use only

Review or approval required	Officer	Date
Lead officer	Lesley Watson	28/10/2024
Business Management Partner review of IIA overall	Katherine Preston	28/11/2024
Finance Partner review of revenue and capital information	N/A	
Operational HR – Lead Specialist review of workforce implications	N/A	
DLT	CFO	
Director	Mark Nicholson	22/11/ 2024
Cabinet Portfolio Holder	Councillor Frew	

IIA quality assurance checklist

Quality assurance required	Officer	Date
Louise Crosby: Equality and Wellbeing	Louise Crosby	04/11/2024
Geraldine Cunningham: Economic Development	Geraldine Cunningham	05/11/2024
Joan Flood: Community Safety		
Adrian McLoughlin: Climate Change	A.McLoughlin	04/11/2024
Louise Reeve: Consultation	Louise Reeve	07/11/2024
David Forster: Carers		
Rawiyah Ahmad: Public Health	<i>R. Ahmad</i>	04/11/2024

Informing our approach to fairness

Proposal name

Council Tax 2025-26

Date of assessment

October 2024

Lead officer

Lesley Watson, Revenues and Benefits Manager

Assessment team

Carolyn Gibson

Portfolio area

Resources and Performance

Version number

1

Planned review date

January 2025

Section A: Current service

1 What does the service, policy or function do?

In 2024-25, Council Tax represented around 20.5% of our total external income (excluding Dedicated Schools Grant and Housing Benefit Subsidy Grant). Council Tax income is used to fund a wide range of services for the people of Newcastle upon Tyne, as well as police and fire services (which set their own levels of Council Tax).

In 2016-17 the government introduced a separate Council Tax increase for adult social care services, which became known as the adult social care precept. This was introduced in response to the significant cost pressures facing local authorities with adult social care responsibilities and must be used to fund adult social care services.

The total amount of Council Tax we will collect is determined by the Council Tax base as well as the level of Council Tax agreed by the council. The Council Tax base is the total of the weighted number of properties at each Council Tax band (ranging from Band A for the lowest valued properties to Band H for the most expensive properties) adjusted for the estimated long-term collection rate.

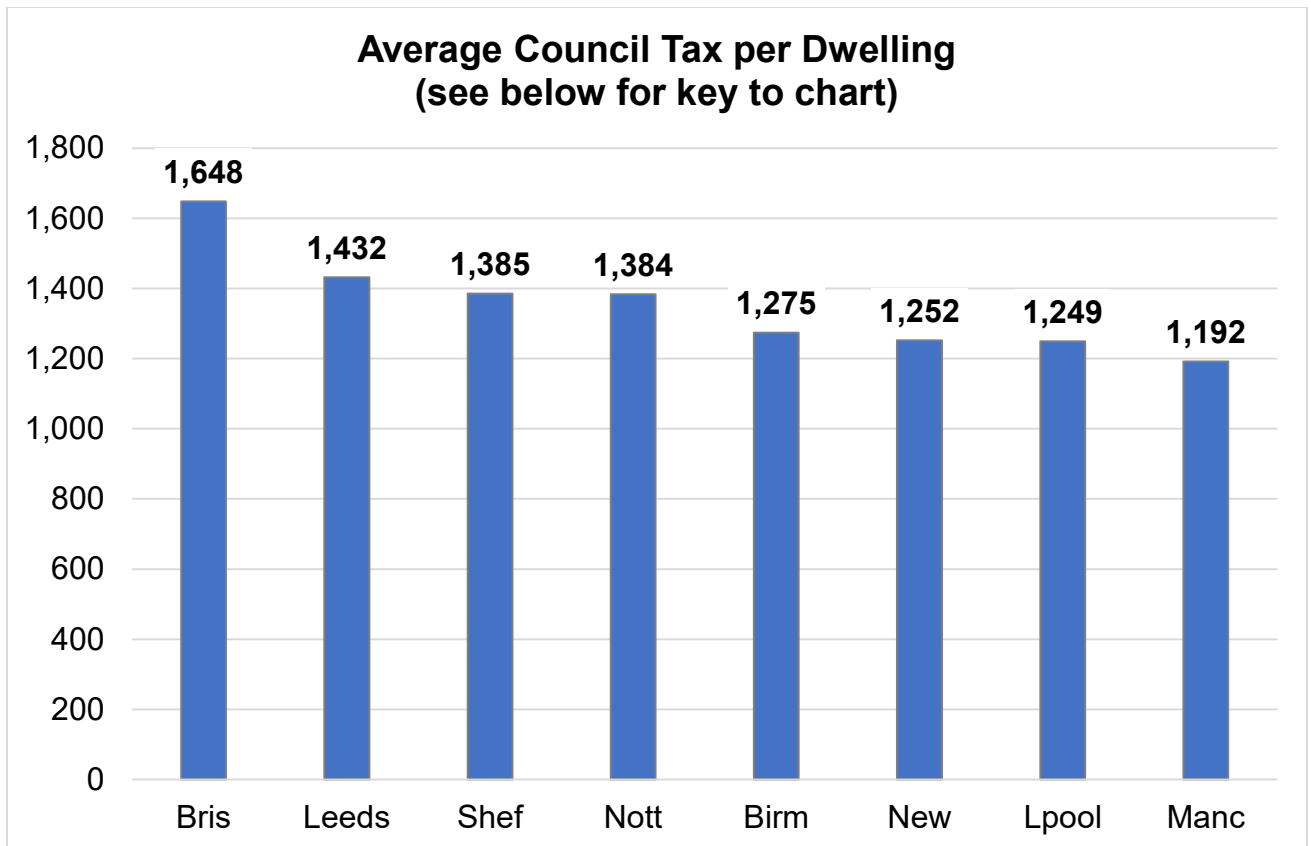
The Council Tax base for 2024-25 was calculated at 69,713 Band D equivalents and the Band D charge was £1,721.12 (excluding adult social care, parish, police, and fire precepts). The Band D adult social care precept for 2023-24 was £293.97.

The Band D charge for 2024-25 including adult social care, police and fire was £2,292.04 (including adult social care precept, police and fire but excluding parish precepts) as shown below:

Table 1 Council Tax charge

Band	Annual charge (£)	Band	Annual charge (£)
A	1,528.03	E	2,801.39
B	1,782.69	F	3,310.72
C	2,037.37	G	3,820.07
D	2,292.04	H	4,584.08

Due to the relatively high number of Band A and Band B properties, the average rate of Council Tax paid by residents in Newcastle is low compared with other local authorities (284 out of 296 local authorities). The position when compared with other core cities is set out on the next page.



Key	
Label	Authority
Bris	Bristol UA (Unitary Authority)
Leeds	Leeds
Nott	Nottingham UA
Shef	Sheffield
Lpool	Liverpool
New	Newcastle-upon-Tyne
Birm	Birmingham
Manc	Manchester

The amount of Council Tax we will collect in 2025-26 will be impacted by: new properties added and demolished, and the number of discounts, exemptions and reliefs that are awarded or withdrawn.

The long-term collection rate in 2024-25 was set at 98.0%.

We only write off debt after six years or if it becomes uneconomical to collect, but this can be reversed if the debt later becomes collectible.

Council Tax Support

Council Tax Support is available for working age residents who receive legacy benefits, Universal Credit and for those on low income to help with Council Tax payments.

In April 2013, Government abolished Council Tax Benefit for working aged people and local authorities were required to design local council tax reduction schemes.

Since then, Newcastle City Council has designed a scheme which has been regularly reviewed to ensure assistance is maximised for those most vulnerable across our neighbourhoods, as well as responding to the impact of welfare reform and accumulating council tax arrears.

In April 2022 amendments were made to the working age scheme to introduce additional support for the most vulnerable residents in the city who receive a passported legacy benefit or equivalent in Universal Credit. Doing this reduced the number of reminders issued to those in receipt of Council Tax Support by 43%, summonses by 48% and liability orders by 51%, taking a significant number of residents out of the recovery process altogether.

2 Who do we deliver this service, policy or function for?

Council Tax is payable by all residents, although some receive discounts, exemptions and support depending on their personal circumstances.

3 Why do we deliver this service, function or policy?

Council Tax was introduced with effect from 1 April 1993 by the Local Government Finance Act 1992.

The legislation sets out the definition of dwellings to be valued for Council Tax and the procedures for seeking an alteration to the band. The billing authorities for each area have the duty to collect the tax. Current law states that if a council proposes to increase Council Tax by more than the limit prescribed by the Secretary of State (for 2025-26 this is expected to be 3%) then a referendum must be undertaken.

The maximum increase in the adult social care precept is also specified by government each year, and for 2025-26 this is expected to be set at 2%.

4 How much do we spend on the service, function or policy?

Gross expenditure: Not applicable

Gross income: Not applicable

Net budget: Not applicable

Comments: Not applicable

5 How many people do we employ to deliver the service, function or policy?

Number of posts: Not applicable

Number of full-time equivalent officers: Not applicable

Comments: Not applicable

Section B: Proposals for the future service

6 How we are proposing to change the service, function or policy

As in previous years, we are expecting the government will assume in its calculation of core spending power that all local authorities will increase Council Tax by the maximum amount in 2025-26, which is expected to be 3% plus a 2% increase in the adult social care precept.

To set a balanced budget in 2025-26 we need to increase the amount of income raised through Council Tax. We are proposing to increase core Council Tax by 2.99%, which will increase income by £4.2 million (excluding any changes to the Council Tax base). We propose to use this income to avoid the need to make further reductions to service provision beyond those set out in the budget report. We expect this increase will be below the level that is defined as excessive by the Secretary of State for the purpose of the Local Government Finance Act 1992.

The impact of this increase is as follows: (excluding police and fire precepts)

Table 2 - Proposed council tax increase 2.99 percent

Band	Proposed Annual Increase (£)	Proposed Weekly Increase (£)	Band	Proposed Annual Increase (£)	Proposed Weekly Increase (£)
A	40.17	0.77	E	73.64	1.42
B	46.86	0.90	F	87.03	1.67
C	53.56	1.03	G	100.42	1.93
D	60.25	1.16	H	120.50	2.32

In addition, we propose to apply the government's 2% Council Tax precept for adult social care to help fund the increasing demand for and cost of adult social care. This will generate an additional £2.8 million of Council Tax income (excluding any changes to in the Council Tax base). The impact of this increase is as follows: (excluding any increases to police and fire precepts)

Table 3 - Proposed adult social care increase 2 percent

Band	Proposed Annual Increase (£)	Proposed Weekly Increase (£)	Band	Proposed Annual Increase (£)	Proposed Weekly Increase (£)
A	26.87	0.52	E	49.25	0.95
B	31.35	0.60	F	58.21	1.12
C	35.82	0.69	G	67.17	1.29
D	40.30	0.78	H	80.60	1.55

The impact of the combined increase is as follows: (excluding police and fire precepts)

Table 4 - Combined increase 4.99 percent

Band	Current 2024-25 Charge (£)	Proposed 2025-26 Charge (£)	Proposed Annual Increase (£)	Proposed 2025-26 Charge for Single People (£)	Proposed Annual Increase for Single People (£)
A	1,343.39	1,410.43	67.04	1,057.82	50.28
B	1,567.29	1,645.50	78.21	1,234.12	58.65
C	1,791.19	1,880.57	89.38	1,410.43	67.04
D	2,015.09	2,115.64	100.55	1,586.73	75.41
E	2,462.89	2,585.78	122.89	1,939.33	92.16
F	2,910.68	3,055.92	145.24	2,291.94	108.93
G	3,358.48	3,526.07	167.59	2,644.55	125.69
H	4,030.18	4,231.28	201.10	3,173.46	150.83

Council Tax Reduction Scheme

We are not going to make any changes to the working age scheme in 2025-26, other than inflating the income bands used to assess eligibility. We have no discretion over the pension age scheme as this is set by Government.

Second Homes Premium

The Government made changes to Council Tax legislation included in the Levelling Up and Regeneration Act 2023, which amends the Local Government Act 1992.

The change means that a 100% Council Tax premium can be applied in addition to the standard Council Tax liability in respect of 'Second Home' dwellings.

From 1 April 2025, unless an exception applies, owners of second homes will be subject to a 200% charge which is up to 2 times the normal Council Tax charge. This will generate an additional £0.25 million of Council Tax income.

7 What evidence did you use to inform this proposal

Previous public consultation

From the comments received in previous public consultations many were supportive of Council Tax increases to support services; however, concerns were also expressed by some members of the public about the impact on Council Tax increases on those with lower incomes.

Financial projections

Increasing Council Tax will generate additional income for the council that will avoid the need to make further reductions to service provision beyond those set out in the budget report. The precept for adult social care will also help fund the increasing demand in adult social care and the impact of COVID-19 on adult social care services.

People in receipt of benefits are struggling to meet rent and Council Tax due to welfare reform changes. The projections we have modelled show that the increase in charges for most residents already receiving a reduction are small and we will continue to provide Council Tax support in 2025-26 for those people.

Budget Announced on 30 October 2024

That local authorities may increase core Council Tax by up to 3% and may increase the adult social care precept by up to 2% in 2025-26.

8 What are the financial impacts of the proposal?

We are proposing to increase core Council Tax by 2.99%, which will increase income by £4.2 million (excluding any changes to the Council Tax base), and the adult social care precept by 2%, which will increase income by a further £2.8 million.

9 What will be the impact of the proposal on employees

There will be no impact on employees as a result of this proposal.

Section C: Consultation

10 Engagement to help develop the proposal

Who we have engaged with to develop this proposal

Residents, landlords, and voluntary sector organisations.

When and how we engaged

Previous year's budget consultation process from November 2023 to January 2024 via council wide Let's Talk budget consultation.

Main issues raised

From the comments received in previous public consultations many were supportive of Council Tax increases to support services; however, concerns were also expressed by some members of the public about the impact on Council Tax increases on those with lower incomes.

Comments included views that the adult social care precept is unfair on people who are self-funding their social care and the council should lobby central government for more funding. When asked about other ways to save or generate income, suggestions included building more houses to increase the Council Tax base.

11 Who will we engage with during the consultation

Who will we engage with during the consultation?

The stakeholders for this consultation are potentially everyone who pays Council Tax, or uses services paid for by Council Tax, within the Newcastle upon Tyne local authority area – essentially, all residents. We also need to consult with landlords, who are responsible for paying Council Tax when the property is rented out to several people and they each have an individual tenancy agreement to occupy only part of the building and are also liable for Council Tax for any period the property is unoccupied, and a tenancy agreement is not in place. Finally, we are aware that many residents are supported by voluntary organisations, and often seek advice from them about financial matters, including Council Tax. Therefore, we intend to engage with the following groups:

- Residents
- Landlords
- Voluntary organisations

When and how we will engage

We will engage between 11 December 2024 to 15 January 2025. We will inform people about the consultation using these channels:

- Online information via our website and social media accounts, including explainer videos (including with BSL interpretation)
- Press release to local media.
- Email invitations via Let's talk Newcastle Online
- Email invitations directly to voluntary organisations such as the Elders Council, Connected Voice, and others within Newcastle
- Email invitations to the Private Rented Service, to ask them to ask landlords to give us their views
- Printed information via a short version of our Citylife magazine, available on request and via Newcastle Libraries

People and organisations can send us their feedback as follows:

- Online surveys via Let's talk Newcastle Online
- Emails
- Letters to our FREEPOST address
- Social media
- Telephone
- If people need information in a particular format to support their taking part, such as large print, printed information, or Easy Read, we will provide this on request.

12 Feedback from the consultation process

Who provided feedback during the consultation

To be completed post consultation

When and how did we engage

To be completed post consultation

Main issues raised

To be completed post consultation

Section D: Impact assessment

In this section you will find details of any actual or potential negative impacts and benefits we have identified for this proposal. You will also find information about actions we will take to mitigate any potential disadvantage.

We have assessed the impact of this proposal for people with characteristics protected by the Equality Act 2010 and other areas where there could be an impact

Age

Type of impact

Potential disadvantage

Impact

There may be a disproportionate impact on families with young children or older people living on low pensions.

How we will remove or reduce the impact

Continue to provide Council Tax Support Scheme and continue to signpost to debt management and advice services. Also use income from adult social care precept to continue to support the most vulnerable.

Disability

Type of impact

Potential disadvantage

Impact

There may be a disproportionate impact upon households with disabled people. Generally, disabled people are significantly more likely to be in poverty than households where there are no disabled people.

How we will remove or reduce the impact

Continue to provide Council Tax Support Scheme and continue to signpost to debt management and advice services. Also use income from adult social care precept to continue to support the most vulnerable.

Gender reassignment

Type of impact

No impact

Impact

Not applicable

How we will remove or reduce the impact

Not applicable

Marriage and civil partnerships

Type of impact

No impact

Impact

Not Applicable

How we will remove or reduce impact

Not Applicable

Pregnancy and maternity

Type of impact

Potential disadvantage

Impact

Women who are pregnant or on maternity leave may be impacted more by the increase due to a reduced income or increase in household expenses.

How we will remove or reduce the impact

Continue to provide Council Tax Support Scheme and continue to signpost to debt management and advice services.

Race and ethnicity

Potential disadvantage

Impact

There may be a disproportionate impact on people from ethnic minority backgrounds due to higher unemployment rates amongst the community

How we will remove or reduce the impact

Continue to provide Council Tax Support Scheme and continue to signpost to debt management and advice services.

Religion or belief

Type of impact

No impact

Impact

Not applicable

How we will remove or reduce impact

Not Applicable

Sex

Type of impact

Potential disadvantage

Impact

There may be a disproportionate impact on women. Women are more likely to have lower incomes than men and have children living with them.

How we will remove or reduce the impact

Continue to provide Council Tax Support Scheme and continue to signpost to debt management and advice services.

Sexual orientation

Type of impact

No impact

Impact

Not applicable

How we will remove or reduce impact

Not Applicable

Other potential impacts

We believe that it is important to consider whether changes to our policies, services or functions could have other impacts on people that are not covered by the Equality Act.

A part of our assessments we also consider whether proposed changes could have actual or potential impacts relating to socio-economic issues, businesses, geography, community cohesion, community safety, the environment and health and wellbeing.

Carers

Type of impact

Potential disadvantage

Impact

There may be a disproportionate impact on unpaid carers or those unable to increase their working hours due to restrictions of carers allowance

How we will remove or reduce the impact

Continue to provide Council Tax Support Scheme and continue to signpost to debt management and advice services.

Socio-economic impacts

Type of impact

Potential disadvantage

Impact

There may be a disproportionate impact on people who experience socio-economic disadvantage who are more likely to be affected than the general population.

How we will remove or reduce the impact

Continue to provide Council Tax Support Scheme and continue to signpost to debt management and advice services.

Businesses

Type of impact

No impact

Impact

Not Applicable

How we will remove or reduce impact

Not Applicable

Geography

Type of impact

Potential disadvantage

Impact

There may be a disproportionate impact on people unable to pay the increase in less affluent areas of the city.

How we will remove or reduce the impact

Continue to provide Council Tax Support Scheme and continue to signpost to debt management and advice services.

Community cohesion

Type of impact

Potential disadvantage

Impact

People may be resentful of neighbours or others they feel get more benefit from council services for the same level of council tax paid e.g., larger families, pay the same as smaller households.

How we will remove or reduce the impact

Continue to provide Council Tax Support Scheme and continue to signpost to debt management and advice services. Also use income from the adult social care

precept to help fund the increasing demand in adult social care and the long-standing, complex impact of COVID-19 on social care services. Promote the communitarian nature of the tax – supporting the community/each other.

Community safety

Type of impact

No impact

Impact

Not Applicable

How we will remove or reduce impact

Not Applicable

Public health

Type of impact

Potential disadvantage

Impact

Some residents may have to cut back on heating or food to pay increased council tax which could impact on health.

How we will remove or reduce the impact

Continue to provide Council Tax Support Scheme and continue to signpost to debt management and advice services. Use income from the adult social care precept to help fund the increasing demand in adult social care and the long-standing, complex impact of COVID-19 on social care services.

Climate change and environment

Type of impact

No impact

Impact

Not Applicable

How we will remove or reduce impact

Not Applicable