



Integrated Impact Assessment

The purpose of Aberdeen City Council is to protect the people and the place of Aberdeen from harm, enabling them to prosper and supporting them in the event of harm happening.

The purpose of an Integrated Impact Assessment is to evidence that Aberdeen City Council are making decisions in an informed way, and that the impact of decisions made is understood and accepted. The legislation that is considered within this assessment are:

- Section 2 [Equality Act 2010 protected characteristics](#)
- Section 3 [Socio-Economic](#)
- Section 4 [Human Rights](#)
- Section 5 [Children and Young People's Rights](#)

The term 'policy' is used throughout this document and applies to policies, proposals, strategies, provision, criteria, functions, practice, budget savings and activities that includes delivery of our services.

1. About the Policy

1.1 Title
Council Tax
1.2 What does this policy seek to achieve?
The Council is required to set a council tax rate annually, and to do this as part of the Budget Setting process in order to approve a balanced budget for the year ahead. In light of the inflationary pressures, and in line with the Medium-Term Financial Strategy an increase to the rate of Council Tax for 2024/25 is proposed to assist the Council in sustaining services that it delivers. The Council should also consider changes to the legislative framework, with effect from 1 April 2024 that includes the option to charge a premium of up to 100% on the Council Tax for properties that are Second Homes.
1.3 Is this a new or existing policy?
Existing policy.
1.4 Is this report going to a committee?
Yes, Council General Fund Budget report
1.5 Committee name and date:
Council, 6 March 2024
1.6 Report no and / or Budget proposal number and / or Business Case reference number:
RES/24/061
1.7 Function and cluster:
Corporate Services / Finance

Impacts

This section demonstrates the considerations that have been made in relation to the policy - and that the impact of proposals made is understood and accepted.

2: Equality Act 2010 - Protected Characteristics

Aberdeen City Council wants to ensure everyone is treated fairly. This section identifies the [protected characteristics](#) that the policy potentially affects and records the impact and mitigating steps.

2.1 What impact could this policy have on any of the below groups?

Protected Characteristic	What is the impact?			Neutral	Positive
	High	Medium	Low		
Age		✓			
Disability		✓			
Gender Reassignment				✓	
Marriage and Civil Partnership			✓		
Pregnancy and Maternity				✓	
Race	✓				
Religion or Belief				✓	
Sex		✓			

Sexual Orientation				✓	
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2.2 In what way will the policy impact people with these protected characteristics?

Council Tax is a property based statutory charge, underpinned by legislation. Council tax is applied consistently to all properties in the city and exemptions and relief are available for certain situations and circumstances, this includes single persons, disability relief and students. Evidence of low incomes in older people, younger people, people of ethnic origin and disabled people is relevant, and also on the existence of a gender pay gap, with women generally being paid less than men have all been considerations.

Age: Older people living solely on pension or young people starting their careers in their first / early jobs may be disproportionately affected as the rise in Council Tax will be have to come from disposable income that may be very limited.

Disability: People living with disabilities are likely to have lower incomes and may be accessing benefits. The ONS published Data & Analysis from the 2021 Census that:

- The disability pay gap, the gap between median pay for disabled employees and non-disabled employees, was 13.8% in 2021 and 14.1% in 2019 prior to the coronavirus (COVID-19) pandemic; this gap has widened slightly since 2014 when disabled employees earned 11.7% less than non-disabled employees.
- The disability pay gap has consistently been wider for disabled men than for disabled women; in 2021 median pay for disabled men was 12.4% less than non-disabled men, and median pay for disabled women was 10.5% less than non-disabled women.

Scotland had the widest disability pay gap at 18.5%.

Married & Civil Partnership: Married or those in civil partnerships potentially have two incomes to support the payment of Council Tax while single people only receive 25% discount on their Council Tax bill (per legislation) therefore the negative impact may be on single people or those who are married or in civil partnerships where they have one income.

Race: The Cost of Living Crisis in Scotland (November 2022) [Chapter 5: Households Most Affected - The Cost of Living Crisis in Scotland: analytical report - gov.scot \(www.gov.scot\)](#) shows that many of those with protected characteristics will be most impacted by any increase in the cost of living. This includes minority ethnic families.

Sex: Gender pay gap will mean there is a difference in the impact of rising Council Tax and greater effect on women, per the latest ONS [Gender Pay gap in the UK 2023](#) bulletin, and states “The gender pay gap has been declining slowly over time; over the last decade it has fallen by approximately a quarter among full-time employees, and in April 2023 it stands at 7.7%.”

Applying a premium for those with Second Homes is estimated to have limited impact on those with protected characteristics due to the choice that individuals will have around owning/occupying a second home and their lifestyle is likely to take account of having two residential properties, whether both in Aberdeen City or one property being in another local authority area.

2.3 What considerations have been made in reaching the above assessment?

What internal or external data has been considered? What does this data tell us?

CTAXBASE 2023 return to Scottish Govt includes the following:

Total number of dwellings on valuation list – 124,369

Total number of dwellings exempt – 10,725

Total number of chargeable dwellings – 113,644
 Total number of dwellings with disability reduction – 200
 Total number of dwellings with single occupancy – 50,368
 Total value of Council Tax Reduction (CTR) in 2023/24 - £11,409,260
 Total number of dwellings to with CTR applies – 9,466
 Total number of second homes - 686

This indicates:

There are limited number of people living in properties where disability reductions apply. Approximately 44% of the properties are occupied by individuals and have a 25% reduction applied to their Council Tax charge for the year.

Between 9% and 10% of dwellings access Council Tax Relief and are protected from having to pay the charge.

A limited number of people have a second home in the City, 0.6% of chargeable dwellings. The Council does not have data specific on those that have second homes.

An indication of the annual and monthly cost of increasing Council Tax is shown in the following table.

Council Tax Band	2023/24 Council Tax	Indicative increase in 2024/25 Charge if percentage increase applied							
		5.00%	6.00%	7.00%	8.00%	9.00%	10.00%	11.00%	12.00%
Band A	£ 993.03	£ 49.66	£ 59.59	£ 69.52	£ 79.45	£ 89.38	£ 99.31	£ 109.24	£ 119.17
Band B	£ 1,158.54	£ 57.93	£ 69.51	£ 81.10	£ 92.68	£ 104.27	£ 115.85	£ 127.44	£ 139.02
Band C	£ 1,324.04	£ 66.21	£ 79.45	£ 92.69	£ 105.93	£ 119.17	£ 132.41	£ 145.65	£ 158.89
Band D	£ 1,489.55	£ 74.48	£ 89.37	£ 104.27	£ 119.16	£ 134.06	£ 148.96	£ 163.85	£ 178.75
Band E	£ 1,957.10	£ 97.86	£ 117.43	£ 137.00	£ 156.57	£ 176.14	£ 195.71	£ 215.28	£ 234.86
Band F	£ 2,420.52	£ 121.02	£ 145.23	£ 169.44	£ 193.64	£ 217.85	£ 242.05	£ 266.26	£ 290.46
Band G	£ 2,917.04	£ 145.85	£ 175.02	£ 204.19	£ 233.36	£ 262.53	£ 291.70	£ 320.87	£ 350.04
Band H	£ 3,649.40	£ 182.47	£ 218.96	£ 255.46	£ 291.95	£ 328.44	£ 364.94	£ 401.43	£ 437.93

Note: Figures exclude water supply and waste water collection charges collected on behalf of Scottish Water

Council Tax Band	2023/24 Council Tax	Indicative increase per month in 2024/25 Charge if percentage increase applied							
		5.00%	6.00%	7.00%	8.00%	9.00%	10.00%	11.00%	12.00%
Band A	£ 993.03	£ 4.14	£ 4.97	£ 5.79	£ 6.62	£ 7.45	£ 8.28	£ 9.10	£ 9.93
Band B	£ 1,158.54	£ 4.83	£ 5.79	£ 6.76	£ 7.72	£ 8.69	£ 9.65	£ 10.62	£ 11.59
Band C	£ 1,324.04	£ 5.52	£ 6.62	£ 7.72	£ 8.83	£ 9.93	£ 11.03	£ 12.14	£ 13.24
Band D	£ 1,489.55	£ 6.21	£ 7.45	£ 8.69	£ 9.93	£ 11.17	£ 12.41	£ 13.65	£ 14.90
Band E	£ 1,957.10	£ 8.15	£ 9.79	£ 11.42	£ 13.05	£ 14.68	£ 16.31	£ 17.94	£ 19.57
Band F	£ 2,420.52	£ 10.09	£ 12.10	£ 14.12	£ 16.14	£ 18.15	£ 20.17	£ 22.19	£ 24.21
Band G	£ 2,917.04	£ 12.15	£ 14.59	£ 17.02	£ 19.45	£ 21.88	£ 24.31	£ 26.74	£ 29.17
Band H	£ 3,649.40	£ 15.21	£ 18.25	£ 21.29	£ 24.33	£ 27.37	£ 30.41	£ 33.45	£ 36.49

Note: Figures exclude water supply and waste water collection charges collected on behalf of Scottish Water

For example, this shows an 8% increase in Council Tax for a 'Band D' property costs an additional c.£10 per month, or £119 per annum.

The impact of charging a 100% premium on the 686 second homes in the City is £1,489.55 for a 'Band D' property if £0 Council Tax increase was applied in 2024/25, that would increase to £1,727.87 if an 8% increase was applied to Council Tax rate in 2024/25.

What consultation and engagement and has been undertaken with officers and partner organisations?

Aberdeen City Council launched a three-part public consultation around the 2024/25 Budget and future spending plans from July 2023 to January 2024. In part 1, which ran throughout July 2023, people were asked to award points across different service areas to indicate where they thought the council's spending priorities should be. In part 2, the public could either increase, decrease or not change the level of expenditure in areas listed. There were 3,179 responses to part 1, 2,564 responses to part 2.

What consultation and engagement and has been undertaken with people who may be impacted by this policy (e.g. citizens, community groups, or other people/groups)?

Aberdeen City Council launched a three-part public consultation around the 2024/25 Budget and future spending plans from July 2023 to January 2024. In part 1, which ran throughout July 2023, people were asked to award points across different service areas to indicate where they thought the council’s spending priorities should be. In part 2, the public could either increase, decrease or not change the level of expenditure in areas listed. In part 3, which took place throughout January 2024, there were two face to face sessions for the public to attend and an online consultation. There were 3,179 responses to part 1, 2,654 responses to part 2 and 285 responses to part 3. Included in all parts of the consultation was a specific question regarding the provision of an increase in Council Tax.

In part 2 40% of respondents chose not to increase Council Tax, while the remaining 60% chose increases of between 2% and 16% in each of the four years. The consultation indicates there are more people in favour of increasing council tax than not.

2.4 What mitigations can be put in place?

What mitigations are there against any negative impacts (if applicable)?

Council tax is a statutory charge, it is property based therefore relates to the place that you live, size and historic value being the key drivers for the charge that applies to each individual/household. It is applied to all properties on the valuation roll, and no differences are made or introduced that relate to the protected characteristics of individuals living there.

A series of reliefs and reductions are available through the legislation and this can provide the mitigation of limiting the impact of increasing the charge to only those that have income levels above certain minimum levels. This is provided by the Council Tax Reduction Scheme. Relief such as the Disability relief may also apply in certain circumstances.

Single people have a statutory relief of 25% applied to their circumstances.

The benefits systems in the UK provide mitigation for those with the lowest or modest incomes and include:

- Tax credits, mostly topping up the incomes of families with someone in paid work, but on modest earnings
- Housing benefit, helping low-income people meet the cost of rent
- Disability, incapacity and sickness benefits, for those whose health limits their ability to work or adds to the cost of living

These benefits are due to increase from 1 April 2024 by the rate of inflation at September 2023, and this has been confirmed in the Autumn Statement by the Chancellor, November 2023, as 6.7% State pensions are to rise by 8.5% from the same date, based on the triple lock promise.

Regarding the second homes premium of up to 100% the owners of the properties could sell, rent out or bring back into use the property/dwelling to eliminate or transfer the Council Tax liability if they chose to do that. This is likely to be a socio-economic decision rather related to protected characteristics.

With mitigations in place, what is the new overall rating of the negative impact(s)?

High	
Medium	
Low	✓
Negative Impact Removed	

3: Socio-Economic Impacts

This section is used to consider the impact of the policy on people who might be **unemployed, single parents**, people with lower **education** or **literacy**, **looked after children**, those with **protected characteristics** as examples.

Use this guide to understand more on socio-economic inequalities: [The Fairer Scotland Duty: Guidance for Public Bodies \(www.gov.scot\)](https://www.gov.scot/publications/fairer-scotland-duty/guidance-for-public-bodies/)

3.1 What impact could this policy have on any of the below groups?

Group	Negative			Neutral	Positive
	High	Medium	Low		
Low income / income poverty – those who cannot afford regular bills, food, clothing payments.	✓				
Low and/or no wealth – those who can meet basic living costs but have no savings for unexpected spend or provision for the future	✓				
Material deprivation – those who cannot access basic goods and services, unable to repair/replace broken electrical goods, heat their homes or access to leisure or hobbies	✓				
Area deprivation – consider where people live and where they work (accessibility and cost of transport)		✓			
Socio-economic background – social class, parents' education, employment, income.		✓			

3.2 In what way will the policy impact people in these groups?

An increase will add financial pressure to those on limited or variable income, national benefits and council tax reduction scheme provide mitigation however will not apply to everyone. The Poverty in Scotland 2023 report from the Joseph Rowntree Foundation (Poverty in Scotland 2023 | JRF) highlights there are continued inequalities within socio-economic groups within Scotland. This proposal will have an adverse financial impact on these groups.

Low Income / Income Poverty: The proposed increase in Council Tax would affect those who do not have sufficient money for the basic living requirements.

Low and/or no wealth: The proposed increase in Council Tax would affect those who do not have flexible disposable income or lack financial resilience.

Material Deprivation: The proposed increase in Council Tax would affect those who do not have sufficient money to access basic goods and services as they may be unable to allocate the additional money to pay for higher Council Tax.

Area Deprivation: The proposed increase in Council Tax would affect those who live far or distant from their place of work or families and have to travel across the city or outside the city and may be unable to allocate the additional money to pay for higher Council Tax.

Socio-economic background: The proposed increase in Council Tax would affect those who have a lower income as a result of their socio-economic background. There may also be an impact on those who are financially stretched by rising mortgage rates or limited pay awards, failing to keep up with inflation. Those with second homes will either be financially able to maintain their additional property(ies) or would have choices to shift the liability.

3.3 What considerations have been made in reaching the above assessment?

What internal or external data has been considered? What does this data tell us?
See 2.3 above.
What consultation and engagement and has been undertaken with officers and partner organisations?
See 2.3 above.
What consultation and engagement and has been undertaken with people who may be impacted by this policy? citizens, community groups, or other people/groups impacted by this policy?
See 2.3 above.

3.4 What mitigations can be put in place?

What mitigations are there against any negative impacts (if applicable)?
See 2.3 above.
With mitigations in place, what is the new overall rating of the negative impact(s)?
High
Medium
Low ✓
Negative Impact Removed

4: Human Rights Impacts

The Human Rights Act 1998 sets out the fundamental rights and freedoms that everyone in the UK is entitled to. It incorporates the rights set out in the European Convention on Human Rights (ECHR) into domestic British law. The Human Rights Act came into force in the UK in October 2000

The Act sets out our human rights in a series of 'Articles'. Each Article deals with a different right.

Use this guide to understand more about [Human Rights](#).

4.1 What impact could this policy have on Human Rights?

Human Rights Article	Negative	Neutral	Positive
Article 6: Right to a fair trial		✓	
Article 7: No punishment without law		✓	
Article 8: Right to respect for private and family life, home and correspondence		✓	
Article 9: Freedom of thought, belief and religion		✓	
Article 10: Freedom of expression		✓	
Article 11: Freedom of assembly and association		✓	
Article 12: Right to marry and start a family		✓	
Article 14: Protection from discrimination in respect of these rights and freedoms		✓	
Article 1 of Protocol 1: Right to peaceful enjoyment of your property		✓	
Article 2 of Protocol 1: Right to education		✓	
Article 3 of Protocol 1: Right to participate in free elections		✓	

4.2 In what way will the policy impact Human Rights?

Neutral, Council Tax does not impact an individual's human rights.

4.3 What mitigations can be put in place?

What mitigations are there against any negative impacts (if applicable)?

N/a

If mitigations are in place, does this remove the negative impact?

No – negative impact remains

Yes – negative impact reduced

Yes - negative impact removed

5: Children and Young People’s Rights Impacts

The United Nations Convention has 54 articles that cover all aspects of a child’s life and set out the civil, political, economic, social and cultural rights that all children everywhere are entitled to. It also explains how adults and governments must work together to make sure all children can enjoy all their rights.

Children’s rights apply to every child/young person under the age of 18 and to adults still eligible to receive a “children’s service” (e.g. care leavers aged 18 – 25 years old).

The Conventions are also known as the “General Principles” and they help to interpret all the other articles and play a fundamental role in realising all the rights in the Convention for all children. They are:

1. Non-discrimination (Article 2)
2. Best interest of the child (Article 3)
3. Right to life survival and development (Article 6)
4. Right to be heard (Article 12)

You can [read the full UN Convention \(pdf\)](#), or [just a summary \(pdf\)](#), to find out more about the rights that are included.

5.1 What impact could this policy have on the rights of Children and Young People?

UNCRC and Optional Protocols	Negative	Neutral	Positive
Article 1: definition of the child		✓	
Article 2: non-discrimination		✓	
Article 3: best interests of the child		✓	
Article 4: implementation of the convention		✓	
Article 5: parental guidance and a child's evolving capacities		✓	
Article 6: life, survival and development		✓	
Article 7: birth registration, name, nationality, care		✓	
Article 8: protection and preservation of identity		✓	
Article 9: separation from parents		✓	
Article 10: family reunification		✓	
Article 11: abduction and non-return of children		✓	
Article 12: respect for the views of the child		✓	
Article 13: freedom of expression		✓	
Article 14: freedom of thought, belief and religion		✓	
Article 15: freedom of association		✓	
Article 16: right to privacy		✓	
Article 17: access to information from the media		✓	
Article 18: parental responsibilities and state assistance		✓	
Article 19: protection from violence, abuse and neglect		✓	
Article 20: children unable to live with their family		✓	
Article 21: adoption		✓	
Article 22: refugee children		✓	
Article 23: children with a disability			✓
Article 24: health and health services			✓
Article 25: review of treatment in care		✓	
Article 26: social security		✓	
Article 27: adequate standard of living		✓	
Article 28: right to education			✓
Article 29: goals of education			✓
Article 30: children from minority or indigenous groups		✓	

Article 31: leisure, play and culture			✓
Article 32: child labour			✓
Article 33: drug abuse			✓
Article 34: sexual exploitation			✓
Article 35: abduction, sale and trafficking			✓
Article 36: other forms of exploitation			✓
Article 37: inhumane treatment and detention		✓	
Article 38: war and armed conflicts		✓	
Article 39: recovery from trauma and reintegration		✓	
Article 40: juvenile justice		✓	
Article 41: respect for higher national standards		✓	
Article 42: knowledge of rights		✓	
Optional Protocol on a Communications Procedure		✓	

5.2 In what way will the policy impact the rights of Children and Young People?

Generally Council Tax changes will have a neutral impact on the rights of Children and Young People, however in certain circumstances where the additional income that could be generated from increasing the rate of Council Tax, it is possible that this could assist the Council fulfil its obligations to do all they can to support children, deliver education, ensure they are not harmed and have access to leisure and cultural opportunities. Enabling the Council to be sustainable and financially capable of funding ongoing service delivery should positively impact on children and young people.

5.3 What mitigations can be put in place?

What mitigations are there against any negative impacts (if applicable)?	
N/a	
If mitigations are in place, does this remove the negative impact?	No – negative impact remains
	Yes – negative impact reduced
	Yes - negative impact removed

6: Sign Off

Any further positive or negative impacts on individuals or groups that have been considered?
None
Overall summary of changes made as a result of impact assessment.
<p>The proposal remains a lever that the Council can exercise when setting the budget and the law says must be set annually. From an affordability and sustainability perspective officers believe that the level of Council Tax is a legitimate and necessary income source that should be increased to support service delivery, as set out in the approved Medium Term Financial Strategy (MTFS).</p> <p>The consultation indicates there are more people in favour of increasing council tax than not.</p>
Outline of how impact of policy will be monitored.
Annually through the Budget Setting Process and Budget, as well as forecasting and reviewing collection levels throughout the year.
If there are any remaining negative impacts after mitigation, what is the justification for why this policy should proceed.
<p>It is not possible to implement tiered or specific charging arrangements to directly take account of those with protected characteristics or those with socio-economic inequalities as the Council Tax is a property based tax, centred on where a person lives.</p> <p>The MTFS sets out the financial scenarios for the Council General Fund, with a gap now of £25.3m in 2024/25 and of £83m over the next four years. A key principal of the Strategy is that Council Tax, as the greatest financial lever the Council has, should be used to support the sustainability of services by being increased. The law requires Councils to set Council Tax annually. From an affordability and sustainability perspective officers believe that despite the negative impacts the benefits of supporting services through money raised locally can play a key part in sustaining services.</p> <p>Implementing the increase in Council Tax for those with Second Homes will undoubtedly leave some individuals or families with decisions on retaining the second home or changing the situation and renting out or selling the dwelling to reduce or to transfer Council Tax obligations.</p> <p>The Council does not foresee rising levels of Scottish Government grants to fund local government services therefore in light of rising costs there must be a balance between applying savings and generating additional income through discretionary powers, Council Tax should therefore be increased.</p>

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Date	19/02/2024
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