

Shaping our future together

Our medium-term plan update for 2020-21

Appendix 3 – Cumulative impact assessment



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1. Foreword from the Deputy Leader of the Council, Cllr Joyce McCarty

We are now entering the tenth consecutive year of deep and severe government cuts in public spending. Local government has borne a disproportionate share of the burden, with councils in the North East hit particularly hard. Austerity inflicted on us by government means that we are on course to have lost over £300 million from our budget over this time period. Austerity is certainly not over for us.



Our city, partners and residents have made huge sacrifices through these tough times, but government continues to test our resilience. In September, government announced a postponement of the promised Spending Review, instead offering a one-year Spending Round. Although this gives us some additional one-off funding, we cannot be complacent and must proceed with caution. Our financial position remains difficult and the need to achieve savings and transform services continues.

Despite these sustained pressures, our priority is to make sure the most vulnerable in our communities are protected. Newcastle has an increasing proportion of older people, people who have complex needs and greater numbers of people with learning and physical disabilities. Our priority is to help people get the right care and enable them to live well and independently in their own homes, maintaining contact with family and friends and being part of their local community.

The country also faces an unclear future as the situation with Brexit is still unresolved. This brings with it the prospect of economic uncertainty for the future years ahead. Despite government declaring that austerity is over, further tax and benefit changes mean the full effects of austerity are still having a huge impact on residents in our city. We still await government's a radical shake up of local government funding and we continue to lobby for a fairer settlement for Newcastle.

We continue to prepare our city for this uncertainty and challenges by creating stable conditions for growth. We will continue to invest in infrastructure and regeneration, building new homes, strengthening our transport links and improving digital connectivity. Developing the skills of Newcastle's workforce, supporting business growth and job creation are key to generating the income needed to sustain services, protect the vulnerable and look after our health and the environment.

We have a vision for a Newcastle where the benefits of growth are shared fairly and there is opportunity for all. Vibrant, prosperous and inspirational, our great city works to give children the best start in life. Opportunities for education, a thriving economy with successful businesses and more and better-quality jobs help people to get on instead of getting by. Newcastle really is a great place to live, work and visit.

Taking all this into account, our assessment of these cumulative effects is necessary to illustrate how the persistent and severe nature of these difficult decisions are impacting on our communities. Despite increasingly limited resources, we have continued to prioritise services that make the biggest difference to those in greatest need. We will work hard to protect the most vulnerable in our city from the worst effects of the cuts and invest in our city to build confidence in the future.

2. Context

Newcastle has faced cuts that are unfair and disproportionate; more than twice the national average since 2010. Since then a combination of government grant cuts and unfunded cost pressures have seen a cumulative cut of over £300 million from our budget. We have done well to manage these cuts so far, but people have felt the impact on the services we deliver.

Demand for our services continues to rise. The number of vulnerable adults (frail elderly people or those with learning disabilities) and vulnerable children (those at risk of domestic violence, harm or neglect) are all increasing.

From 2020 onwards, we will be almost entirely reliant on Council Tax and retained business rates to fund our services. This is in the context of the government's welfare reforms which are estimated to reduce working age benefits in Newcastle by £129 million by the end of 2022-23.

We had expected a review of public spending as part of government's planned Autumn Spending Review, instead in the context of national political uncertainty, government announced a one-year Spending Round for 2020-21. This provided estimated additional resource of £10.8 million for us in 2020-21, most of which is one-off monies and we cannot commit to spending this in the longer-term. This means we must continue to deliver the savings and service reforms set out in our medium-term plan.

This report focuses on the impact of our 2020-21 proposals. In these tough times, we have sought to achieve two things – to protect the most vulnerable from the worst effects of government cuts and to invest in our city to build confidence in the future.

3. Our approach

We have a legal duty to set a balanced budget each year. To ensure that limited resources are prioritised fairly, we carry out what are known as integrated impact assessments (IIAs).

IIAs are key to making decisions based on the fullest possible understanding of how our proposals are likely to affect people and places in the city, particularly our most vulnerable residents and communities. We publish these as part of our consultation and the feedback we receive is used to further review and refine our proposals.

As well as the impact of individual proposals, it is essential to consider how our overall plan could affect people. In this report, we have tried to consider the emerging cumulative impacts of our proposals from several perspectives. The information and evidence used to inform this cumulative analysis draws on the individual IIAs produced for proposals that will change services in 2020-21.

In addition to this we go beyond our legal requirement to look at how proposals affect certain groups, but we also identify issues that could increase the impact on those groups because of changes resulting from government decisions, or wider economic, social and environmental conditions. For a full list of impacts see Annex 1.

To do this we ensure our fairness principles are embedded throughout the whole process. We continue to be guided in this by the Newcastle Fairness Commission in their report Fair share, Fair play, Fair go, Fair say:

- **Fair Share:** where people can expect fair outcomes a fair share of services, according to their needs.
- **Fair Play:** where people can have confidence that decisions are made in an even-handed, open and transparent manner, according to evidence.
- **Fair Go:** where people have opportunities to participate and a chance to fulfil their aspirations for the future.
- **Fair Say:** where people feel included in their city, communities, and neighbourhoods, given fair hearing and an effective voice in decision-making.

We recognise that these are difficult principles to apply during continuing budget reductions. But it's when the times are toughest that fairness is most important.

4. Impact on people with protected characteristics

The Equality Act 2010 requires us to consider how our decisions may impact on or affect certain groups and take steps to remove or reduce any unequal outcomes. The characteristics that are protected by the Equality Act 2010 are:

- Age
- Disability
- Gender reassignment
- Marriage or civil partnership (in employment only)
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

This section outlines the impacts that we have identified that may affect these groups and the actions we are taking to mitigate them.

4.1 Disabled people

Key facts:

- 18.7% of people in Newcastle have a long-term health problem or disability that limits their day-to-day activity to some degree. This compares to 17.9% of the England and Wales average. Of these just over half are limited a lot (26,661 people) and the rest a little (25,916). (Census, 2011).
- Of the 44,893 total pupils in Newcastle schools, 7,180 have some form of special educational need with 1,246 having a statement of special educational need or education, health care plan. (Schools Census, January 2019).

Disabled people are more likely to experience poorer outcomes in employment, income and education. They are more likely to face discrimination and negative attitudes, be a victim of crime and experience problems with housing and transport.

The disadvantage faced by disabled people imposes significant economic, social and human costs, on themselves, their families, carers and friends. The nature of disability can also cause higher living costs to cover such things as high utility bills, taxis and specialist food.

Disabled people can be disproportionately impacted by a combination of reduction in benefits, including support for disabled children and support available to disabled people in work.

What are we doing?

We continue to look at how we transform services for adults with multiple and complex needs. We are continuing to invest in new services to ensure people have access to support that is appropriate to their needs. This includes schemes to support people with learning disabilities, autism, or both and younger adults who need support as a result of being vulnerable. We will also continue to work closely with the NHS on integration of care,

strengthening of intermediate care services and, provision of support for children and young people along with supporting development of preventive approaches for the NHS Plan.

Even when councils take an approach to setting budgets that seek to protect the most vulnerable, there is a limit to what we can reasonably achieve. Given the scale of the financial challenge imposed by government, we have no choice but to review our policy on charging for social care services.

Disability-related expenditure

Statutory guidance expects local authorities to assess disability-related costs that a person incurs to meet needs which are not being met by the local authority. This type of cost is called disability-related expenditure, or DRE. Our current policy is to make an automatic reduction in a person's income to cover these potential costs, known as the DRE Disregard. We provide information on DRE, and if a person believes that they have DRE above this standard amount, we will undertake an individual assessment and consider whether to make a larger reduction in their income.

We plan to change this policy to remove the automatic DRE Disregard and carry out individual assessments for DRE when requested to do so. This will mean that contributions towards the cost of care and support could increase for people who are disabled, including older disabled people. Our policy continues to only require people to pay a fair contribution based on their ability to pay one according to nationally set rules. We will continue to consider exceptional cases on a case-by-case basis.

Direct payments

We provide direct payments to people of all ages who have eligible social care needs and want to take more control over how their social care support is provided. Direct payments are regular payments that we make to a person with care and support needs, or someone acting on their behalf. Everyone who has a direct payment signs an agreement to say that they will only use it in the ways that are set out in their care and support plan, and that they will provide information to us for an audit every year. As part of our proposals we propose to review our approach to auditing direct payments.

We will increase capacity to ensure that we are able to undertake all annual audits. This will allow us to increase the rate of recovery of mis-used or unused direct payments. We also propose to revise our audit process and introduce new payment systems so that all unused direct payment funds for which there is no agreed plan can be recovered.

4.2 Older people

Key facts:

- There are currently 43,200 people aged over-65 living in Newcastle. (ONS mid-year estimates, 2018).
- The latest projections suggest out later life population will increase to 58,900 by 2041 (ONS mid-year estimates, 2016).

As people get older, they are more likely to become disabled or to need increased levels of support. And in areas of higher deprivation, adults tend to experience poor health and access services at an earlier stage in their lives.

Both the adult social care sector and the health system are under pressure nationally and locally. There are issues around the sustainability of provision, due to the increasing complexity of people's care needs, significant cuts to local authority budgets and increasing costs. There is an urgent need to find a sustainable solution to the funding crisis in care which is placing additional strain on the health and care system nationally. Other areas are experiencing delays to discharging patients from hospital back into their community with support to help them stay independent

The model put forward by government to support social care through the adult social care precept on Council Tax will not fill the gap in funding or cover additional costs associated with increased demand due to Newcastle's ageing population. Even if we have an adult social care precept of 2% in every year of the next parliament, the Institute of Fiscal Studies has estimated there would still be a funding gap of £4 billion on adult social care alone.

What are we doing?

Despite these pressures, we have continued to provide good quality care. In our most recent Adult Social Care Users Survey 2019, 69% of respondents were overall satisfied with their care and support. 74% said care and support services helped them to have as much or adequate control over their daily lives and 90% said that care services make them feel safe and secure.

Our proposals are focused on making sure we provide a level of support that is appropriate and proportionate to people's current needs and that we provide the right types of support that enable people to live as independently as possible for as long as possible. Our proposals include:

Reviewing the way we provide support to people after a crisis

Our current proposals will review the way we provide support to people after a crisis and are about ensuring that support in the long term is proportionate to a person's needs once the crisis has passed and is not based on what support they needed while they were in crisis.

It is envisaged that this approach will be more tailored to individual needs focusing on recovery and rehabilitation with the aim of increased independence, improving both the individual's physical and mental wellbeing.

We do recognise that there may be a potential reduction in spending and as a result we will ensure our reviews will continue to be robust and comprehensive, ensuring current eligible needs are met, and that outcomes for people are similar or better

Reshaping home care

We know that traditional approaches to care and support are not the most efficient, and in some cases do not have the most positive impact on people's lives. It is against this backdrop that we want to work with people who use services along with partners across the health and social care sector to look at the way we currently support older people in their homes and consider how we can improve the care and support people receive. We will

propose to move away from a time and task focus to create more flexible options for people that will allow them to stay in their own homes and communities for as long as possible.

We recognise that any kind of change can bring anxiety and may translate into a perception of less care and support provided but we firmly believe that older people (65+) will benefit from more creative and flexible options to meet their needs, while also tackling wider health determinants such as loneliness and social isolation.

In changing the way we provide adult social care to residents across the city, we will carry out robust engagement, consultation and communication with key stakeholders.

4.3 Carers

Key facts:

- Almost one in 10 people in Newcastle provide some unpaid care (Census 2011); most carers are aged 25-64 and carers are more likely to be women.
- According to both Age UK and Carers UK, the increase in the older population is projected to accelerate over the next 20 years resulting in higher numbers of older people providing unpaid care compared to the whole population.
- Census 2011 data indicates only a small proportion of carers are working full-time. In the Carers Survey 2014, 55% of respondents were retired or self-employed, 21% were not in paid work for other reasons and 14% were not in paid work due to caring.
- In the Census 2011, 2,355 children and young people aged between 0-24 years acknowledged that they provided unpaid care. 1,769 provided 1 to 19 hours; 299 provided 20 to 49 hours and 287 provided 50 or more hours each week.

Previous budget consultation highlighted concerns amongst carers and carer support organisations that the valuable role of a carer within family situations is diminishing. They pointed towards the economic, social and human cost if government had to fully fund care and support for adults with needs.

In addition, people also highlighted the negative impact that caring can have on a carer's health, which is consistent with the ONS (2011) self-reported measures for health and disease –with bad or very bad health being higher than the national average.

4.4 Children and young people

Key facts:

- Newcastle continues to have a large number (11,980) of children aged under 16 living in low income-families (25.4% of 16-year-olds), compared with 16.8% in England. (Census, 2011).

Children in out-of-work households are at greater risk of poverty, however there are now more children classed as living in poverty from households where someone is working (in-work poverty). Children of lone parents, disabled children, children in large families (four or more children) and those from certain (but not all) black and minority ethnic backgrounds are

also at greater risk of living in poverty. The highest levels of child poverty are found in households with children aged 0-4.

Experiences in childhood profoundly influence people's life chances as adults, including the likelihood of participating in further and higher education, future earning potential and the probability of owning a home. Children receiving free school meals are still less likely to get five good GCSEs than those who do not.

Nationally and locally, there is rising demand for children's social care and our young people are exhibiting increasingly complex needs. Between October 2018 and October 2019, the number of children in our care has increased from 646 to 664. This equates to 114 per 10,000 children compared to the national average of 64 per 10,000 children. We aim to bring the number of children in care closer to the national average – which is very challenging given the levels of poverty in the city and the impact this has on family stability.

What are we doing?

We have established an ambitious transformation programme, Right Child, Right Care, to intervene earlier to support more children to remain safe and well cared for at home. For those children that do need to come in to our care, we want their experience of growing up in Newcastle to be as positive as their peers. We will continue to make the case to government on funding for children's social care and will seek additional funding to deliver our three-year vision.

Through Right Child, Right Care, we are:

- Investing in our workforce so they have the skills and capacity to provide high-quality early support to vulnerable children and families.
- Continuing to grow our fostering service so that more vulnerable children can grow up in loving family homes.
- Transforming and expanding our residential services so the most vulnerable children and young people have better access to placements that meet their needs.

We are also one of 20 councils to successfully secure Department for Education funding and support to improve work with families and safely reduce the number of children entering care. The Strengthening Families, Protecting Children programme aims to improve the safety and stability of vulnerable children and reduce the need for families to access services.

Our commitment to Newcastle: Child Friendly City is about strengthening child rights, voice and influence across the city. In October 2017 we were selected as one of the first four local authorities in the UK to join forces with UNICEF to become a Child-Friendly City - a place that puts children's rights at the heart of the city and proudly supports all children to grow up healthy, safe and resilient. The aim of this collaboration is to focus on embedding the voices, experiences and rights of children into decision-making, governance and local services to have a positive impact on all children in the city.

In the coming year, we will invest in strengthening the voice and influence of all children and young people in Newcastle. We will create a place-based movement that is ambitious for children and accelerates action to create the conditions, skills and opportunities for young people to contribute to the city's economy.

We have made good progress in reducing the number of our young people who are not in education, employment or training (NEET). The proportion of 16-17-year olds who are classed as NEET, or whose activity is not known in Newcastle is 6.2% compared to England average of 13% (Department for Education, 2019).

Our successful apprenticeship and pre-apprenticeship schemes are helping some of our most vulnerable young people gain valuable skills and employment experience.

In addition, the recently created North of Tyne Combined Authority has a key focus on developing an inclusive economy. Its priorities include driving up educational standards and giving everyone the opportunity to thrive. The devolution agreement included a North of Tyne Education Improvement Challenge. Through this work, we have agreed ambitions that support children and young people throughout their education from ensuring that every young person is ready for school to ensuring that children and young people achieve their potential and that no one is left behind.

During the 2019 summer school holidays, we delivered the Best Summer Ever programme in partnership with Street Games. Funded by the Department for Education, this £1.1 million project aimed to reduce the number of young people who experience holiday hunger and are inactive. Seventy community stakeholders engaged 7,000 young people in a free programme of physical activity and healthy meals.

4.5 Sex

Key facts:

- 90% of lone parents in Newcastle are women and more than 50% are in employment. Of all children living in poverty 61.9% (9,815 children) are living in lone parent families, compared with 6,040 children in poverty with a couple. (Census, 2011).
- A higher proportion of women in Newcastle work part-time; 38.3 % of employed compared with 13.7 % part-time (ONS annual population survey 2018-19).
- A high percentage of women in the North East work part-time in the public, voluntary and community sectors. Continued reduction in the public and voluntary sector workforces impact disproportionately on this group (ONS annual population survey 2018-19).
- Men working full-time still earn considerably more than women with men earning £596.5 per week and women £466.1 (ONS annual population survey 2018-19).

Previous feedback from the North East Women's Network suggests disparities between full and part-time working, unequal caring responsibilities, together with the structure of the labour market contributes to the gender pay gap. Black and minority ethnic women are also facing many barriers to work, including lack of childcare, language barriers and suitable available jobs.

What are we doing?

Through our community family hubs, we continue to offer universal and targeted services that, along with childcare, provide information and advice and links to Jobcentre Plus to encourage and support parents and carers who wish to consider training and employment. Meeting the statutory duty to ensure affordable, high-quality childcare is available for families

on low incomes means that there are childcare places to support parents who wish to work or train.

As one of the city's major employers, we provide good quality full and part-time employment, access to flexible working, job share and a range of leave provision because we recognise that inclusive policies help to address gender inequality created by women combining work and caring responsibilities.

Our investment in the city's transport infrastructure also benefit women, who are more likely to use public transport to secure employment, get to work and accompany children to school.

Violence against women and girls

Reports of violence and abuse against women and girls have been increasing nationally since 2008-09. While violent crime against men is also increasing, it is not to the same extent.

In 2018-19, Northumbria Police saw an 11% increase in the number of domestic violence or abuse (DVA) incidents reported compared to 2017-18, with a 6.5% increase in incidents involving children. In total, there were 5893 victims, an increase of 9.8% from 2017-18, 47% of whom experienced repeat incidents. There has been a 35.5% increase in recorded Coercive Control offences (+39 offences) which is seen as a positive indication that officer training has improved recognition of and responses to cases.

We commission specialist domestic violence refuge accommodation, outreach support services for victims and their children and independent domestic violence advisors for high risk DVA victims and independent sexual violence advisor services for victims of sexual violence. Since opening in December 2017, Newcastle's purpose-built refuge has been fully occupied along the outreach and advice services working to capacity. We continue to fund a voluntary programme for perpetrators to support them to address their offending behaviour.

A number of services in Newcastle also provide therapeutic support for children to support their recovery from the impact of living with domestic abuse. Also, through Operation Encompass, all schools in Newcastle are provided with information to enable them to support students identified as living with domestic abuse. Community family hub and intensive family support teams continue to support families in need due to domestic abuse and related issues.

Sexual offences recorded by Northumbria Police have also seen an increase, however this is in the context of high-profile enquiries into historic offences, increased confidence in victims coming forward and improved recording practices. In partnership with Rape Crisis Tyneside and Northumberland, we have developed the Shout Up! campaign, focused on raising awareness of sexual violence and harassment in pubs, clubs and venues across the city. We want Newcastle to be a safe place for socialising, supporting venues and their patrons to be collectively responsible for the safety of women and calling out sexually aggressive behaviour.

We also deliver safeguarding and vulnerability training to a range of professionals in the night-time economy including taxi drivers, door staff and bar staff to broaden the range of people who are understand how to recognise and respond to safeguarding and community safety issues in communities.

4.6 Black and minority ethnic (BME) communities

Key facts:

- The latest figures suggest the BME population living in Newcastle is 29,300, 12.1% of the whole population (ONS annual population survey, 2018-19).
- Census 2011 data shows that younger age groups tend to be more diverse with larger proportions of people being from a BME background.
- Changing demographics mean that one in every four school children in the most recent intake in Newcastle comes from a BME background, a proportion that has increased significantly over recent years. This means that one out of every five school children overall do not necessarily have English as their first language.
- The BME unemployment rate continues to be higher in the North East (11.1 %) and Newcastle (10.2%) compared to the England average (7.0%). Additionally, a greater proportion of the city's BME residents are economically inactive (38.8%), exceeding both the North East (38.1%) and England (29.1%) averages (ONS Annual Population Survey, Jul 18 to Jun 19).

BME communities tend to represent a higher proportion of the population in some of the most deprived areas of the city and are therefore potentially more vulnerable to reductions in some of our services. Most children with additional languages live in the more deprived areas of the city.

Women from BME communities, especially those who are experiencing poverty and whose first language is not English, are less likely to be able to access information. We also know that those who face language barriers may find it more difficult to access digital and social care services.

What are we doing?

As part of the work we do to support people young BME people into employment, we sponsor organisations such as Asian Business Connexions to run programmes aimed at giving young people the skills and experience to find employment. We also work with Jobs Education and Training who support people from BME communities to improve their skills, including verbal and written communication.

Evidence tells us this type of support is vital to help remove the barriers some people find, especially if English is not their first language, when trying to access work and training opportunities. We continue to provide a communication support service that provides translation and interpretation support to people whose first language is not English to support people to access our services. This also provides communication support to communities whose first language is British Sign Language.

We also recognise that people from BME communities are more likely to be impacted by hate crime and this can have a negative impact on their wellbeing and inclusion. We have introduced a new third-party reporting system Stop Hate, where people can report hate incidents both over the phone and online, so that they can be dealt with appropriately and victims directed to support.

4.7 Lesbian, gay, bisexual and transgender (LGBT) people

Key facts:

- Over the last five years, the proportion of the UK population identifying as lesbian, gay or bisexual has increased from 1.5% in 2012 to 2.0% in 2017 (ONS annual population survey 2017).
- It is believed that Newcastle has a higher number of LGBT people living in and around the city than other NE areas, partially because of its wide-ranging social scene and regional capital status.

A national LGBT survey in 2017 told us that:

- LGBT respondents are less satisfied with their life nowadays than the general UK population (rating satisfaction 6.5 on average out of 10 compared with 7.7). Trans respondents had particularly low scores (around 5.4 out of 10).
- At least two in five respondents had experienced an incident because they were LGBT, such as verbal harassment or physical violence, in the 12 months preceding the survey. However, more than nine in ten of the most serious incidents went unreported, often because respondents thought 'it happens all the time'.

Because of welfare reform, particularly the housing benefit restrictions, young LGBT people may be at greater risk of issues such as homelessness. Changes mean that a single person under the age of 35 is now only able to claim housing benefit for bedsit accommodation or one room in shared accommodation. This could potentially force young LGBT people into homelessness as not all young people are equally able to remain in their parental home, or sufficiently confident to live in shared accommodation where they feel unable to be who they are.

With an ageing population and a high level of limiting health conditions, we also recognise that there are specific issues for older or disabled LGBT people who may need support services, such as care in their own homes. Evidence suggests that people still have serious concerns about revealing their full identity for fear of discrimination and abuse. Many older people say that they hide their sexual orientation at a time when they are most vulnerable.

What are we doing?

We continue to support LGBT young people who are potentially vulnerable to homelessness through commissioned services. As part of the changes we are making to the way we provide care, we are identifying ways in which we can raise awareness of people's differing needs, such as through staff training programmes.

We encourage people to report harassment and hate crime for racist, homophobic and transphobic incidents.

Over the last year we have continued to work closely with local transgender organisations to raise awareness of the issues that transgender people face daily. We have joined the NHS and other organisations, including the police, education, unions and LGBT groups, to come

together to organise a ground-breaking annual conference aimed at raising awareness and understanding the needs of the local transgender community.

Mesmac continues to offer a wide range of services, including advice, guidance and counselling sessions particularly around health issues to LGBT people of all ages and their friends and families. We continue to fund Mesmac, but the service to the city is becoming increasingly stretched as funding from neighbouring areas has been withdrawn.

Stonewall, a national LGBT charity and campaigning organisation, has recognised us for the work we do to support LGBT people both in the workplace and in the community. We are ranked as one of the best employers in the country for our commitment to equality and diversity - fifth out of 100 in the Stonewall Workplace Equality Index and the top local authority.

We will continue to invest in the annual Newcastle Pride event.

5. Socio-economic factors

There are several different types of socio-economic inequality. This inequality is influenced partly by geography and economic conditions, but also other factors, such as government policies, access to opportunities, people's background and personal characteristics.

Key facts:

- The latest version of the Indices of Multiple Deprivation (IMD) shows Newcastle's average score among upper tier local authorities for 2019 is 32 out of 151.
- Over a quarter (25.7%) of Newcastle's lower level output areas (small geographical areas) are in the 10% most deprived nationally. This equates to approximately 74,702 residents based on ONS 2017-mid-year estimates.
- Levels of child poverty in Newcastle continue to be well above the national average – 54,580 dependent children up until the age of 20 (29.1%) live in low-income families, compared with the England average of 19.9% (HMRC, children in low income families local measure, 2014).

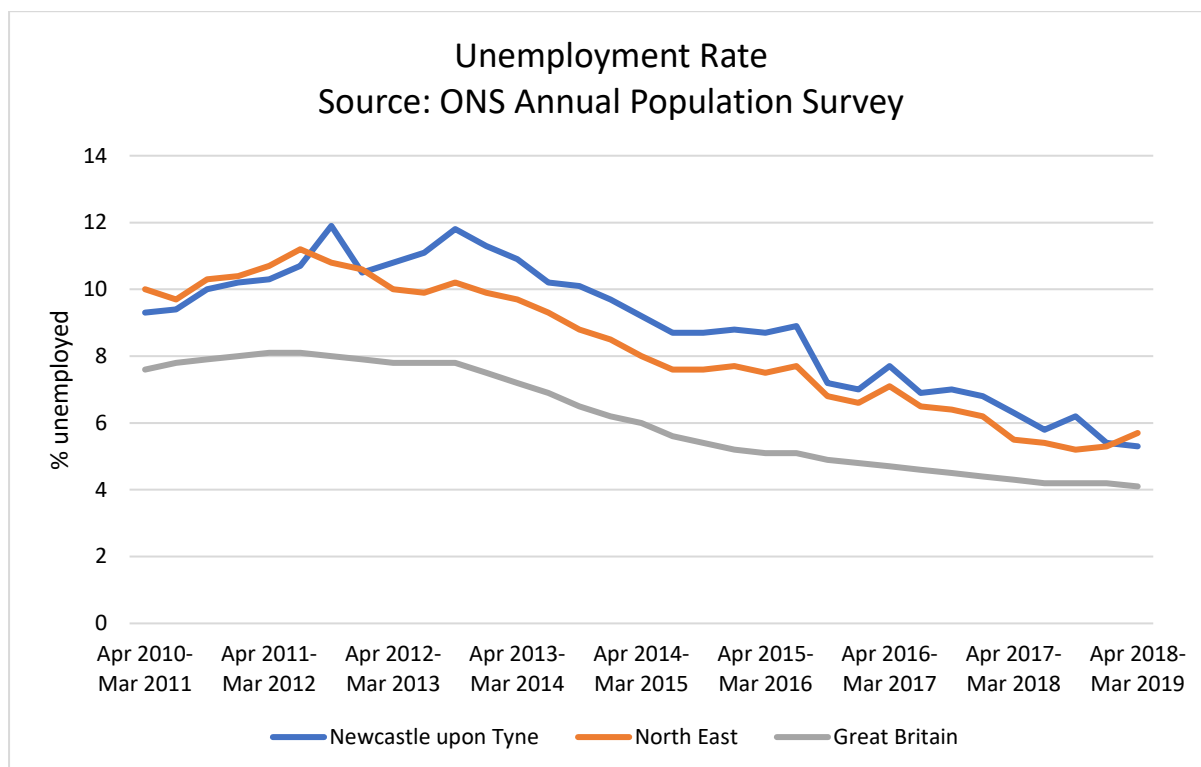
People living in deprived areas are more likely to experience ill health, need social care support and lack the means to contribute towards the cost of their care. Prevailing economic conditions, Brexit and the government's tax and benefit reforms and changes to the way councils are funded, present a challenging climate in which to tackle inequality. Almost any change to a council service has some socio-economic impact. The nature of our responsibilities and the extent to which more deprived communities and most vulnerable people in the city rely on our services.

The situation will become harder as government makes changes to the way councils are funded. In future, local authorities will have to rely heavily on Council Tax, other income and business rates to sustain services. This will favour affluent parts of the country over poorer areas in the North that have higher levels of need. To mitigate these pressures, we are strengthening Newcastle's growth prospects and we are working to ensure vulnerable people in the city receive the support they need.

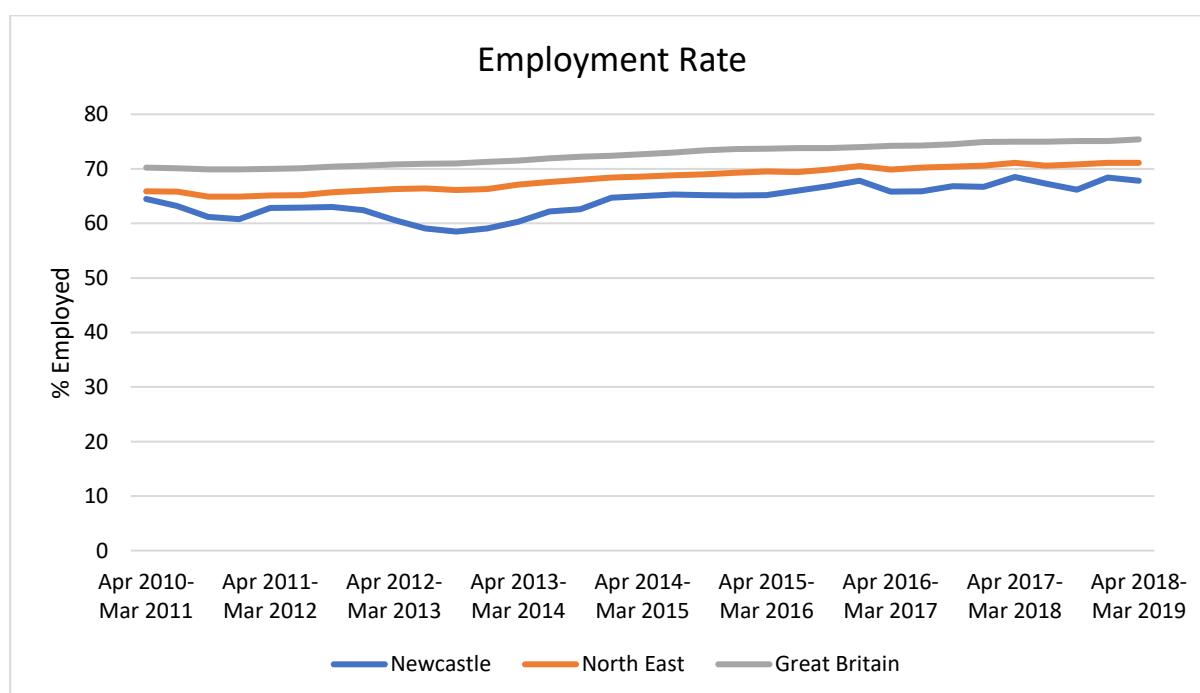
5.1 Newcastle and the North East economy

Newcastle makes an important contribution to the productivity and competitiveness of the UK economy. The latest data shows significant growth in employment in several sectors, including business administration and support services, wholesale, financial and insurance services and accommodation, and construction, which between them increased employment in the city by 8,000 jobs between 2016 and 2017, a 20% increase. As a result, more residents are working as our city's growing economy provides opportunities, with employment at almost 140,000 people.

Unemployment in the city is at its lowest level since 2005, at 5.3% (ONS, April 2018 to March 19). Around 4,000 fewer residents are unemployed than a year ago and the level is 7,000 below its peak in 2009.



67.8% of 16-64-year olds are in employment in Newcastle - which remains lower than the Great Britain average of 75.4%. The proportion of people aged 16-64 defined by the Department for Work and Pensions as receiving job-seeker benefits is 4.4%, higher than the Great Britain average of 3.0%.



While we are proud of our economic success, we are not complacent. We face key challenges, including uncertainty over arrangements for trade and migration after we leave the European Union, changing patterns of consumer spending impacting on the retail and food and drink sectors, and many of our residents facing financial hardship.

We are working to address these challenges, supporting and growing our city's business base and providing support to enable residents to develop the skills they need to access work, progress their careers and contribute to a growing and inclusive Newcastle economy. We will ensure we have the capacity to support the city's economy through the medium- to longer-term uncertainty, ensuring continued growth, jobs and overall resilience.

One of the opportunities to address the employment challenges of the city is through the North of Tyne Combined Authority, which has placed creating an inclusive economy at the heart of its vision and is investing in projects to deliver this, including directly supporting employment and skills for people facing labour market barriers. One early project is the Returnships project, approved in mid-2019, which aims to provide supported return to work options for people who have been out of work for a long time, particularly those who have been caring for family members.

Increasing the number of jobs in the city by attracting new companies is a major priority for the council. Last year, proactive leads generated by Invest Newcastle led to the identification of 166 new potential projects, with 20 project wins, creating or safeguarding over 790 jobs. We delivered activities to attract interest from three key target sectors, each with technology as a key component: creative and digital, life sciences and corporate services. These all represent major inward investment opportunities for the city. Among the success stories is international games developer, Gamevy, which is creating a 30 person games development studio in Newcastle.

We will continue to deliver new commercial development in the city over the next few years. The Biosphere on Newcastle Helix opened this year and is filling up quickly with innovative bioscience businesses, while the flagship 100,000 sq ft Lumen office development will soon be complete and is attracting significant interest from high profile occupiers. Bank House on Swan House roundabout will provide over 200,000 sq ft of Grade A office space in the heart of the city. When full, around 2,500 jobs could be housed in these new spaces.

External also funding plays a key role in enabling our economic ambitions. In the last year, we secured £1.5 million Enterprise Zone funding from the North East Local Enterprise Partnership to unlock the first phase of the Newcastle Airport Business Park and £250,000 for the Lumen office at Newcastle Helix. We also secured £3.6 million European funding towards the construction of the Energy Centre on Newcastle Helix and £734,000 European funding for an Eldon Square solar panels and electronic vehicle charger project delivered by INTU.

The Community Led Local (CLLD) programme is successfully distributing £2.5 million of ESIF funding to local organisations, groups and businesses rooted in communities in the east and west ends of the city. CLLD helps people to progress towards employment or entrepreneurship and businesses to grow by supporting local projects that address local issues and to connect with economic opportunities at their doorstep.

5.2 Supporting local businesses, employment and skills

Economic inactivity rates are relatively high, particularly in pockets of high deprivation across the city. This includes large numbers of residents with complex issues and health conditions, or related caring responsibilities acting as barriers to work, with high rates of dependency on out-of-work benefits. There is a concern that people at the bottom end of the skills / employment spectrum move backwards and forwards between work and being out-of-work without having the underlying causes such as skills problems addressed.

We continue to promote and develop the work of the Business and Intellectual Property Centre (BIPC), located at the City Library, to support local entrepreneurs. The centre provides a front-door into a range of start-up and business support services delivered by BIPC staff, its private-sector partners and local enterprise agencies. Over the last 12 months, businesses and start-ups have benefited from 137 one-to-one Intellectual Property advice sessions and 256 one-to-one Expert in Residence sessions through the public-private partner programme. The BIPC also provides dedicated space for businesses, business support workshops and events to equip businesses and start-ups with the skills, support and connections they need to grow. Over the 12-month period, 855 individuals have attended one or more of the 33 business events at the BIPC.

We continue to work with partners to help our residents access employment and skills. Newcastle Futures, our unique partnership arrangement with JobCentre Plus, plays a key role in this, alongside our in-house training and apprenticeship service and voluntary sector organisations. The focus of Newcastle Futures is on supporting unemployed people to access work with a focus area of high deprivation, social housing tenants, lone parents and people aged over 50.

Over the last year, Newcastle Futures worked with almost 500 residents, helping over 250 of these secure work or training places. Through its help to access work, Newcastle Futures works with partners to help people to stabilise their financial positions, secure their tenancies and address other issues such as mental health or addiction. The service is offered from various community venues with permanent sites at Westgate Community College and the Skills Hub at the City Library. In April 2019, Newcastle Futures began to deliver a major new project supporting social housing tenants into work as a part of the first formal North of Tyne Combined Authority project.

Generation NE provides targeted support for unemployed young people across the region, led by us with support from Newcastle Futures. It provides face-to-face and an innovative digital service using free online and mobile technologies such as Facebook, Google Docs, Whatsapp, Google hangouts, Skype and Apple Facetime.

The Skills Hub provides a single centre for careers advice and guidance and employment support services to residents. Services are available from Connexions, Generation NE JET, National Careers Service, Newcastle Futures, Supported Employment and others. The Hub held almost 3,000 face-to-face appointments last year, resulting in 136 people securing work, and a further 71 moving into training or further education. To widen its offer, the Skills Hub has begun hosting self-employment and enterprise advisors, which is proving a popular addition to its services.

5.3 Promoting financial inclusion and homelessness prevention

The government's welfare reforms continue to affect residents who are least able to afford the additional financial pressure, particularly as more changes are introduced, adding to the cumulative impact of reduced incomes on residents. Our Active Inclusion Newcastle (AIN) partnership approach was developed to respond to growing demand for financial inclusion and homelessness prevention support in a time of limited resources.

In 2018-19 this partnership has prevented over 4,000 cases of homelessness, secured over £31m of annualised benefit gains to 21,670 residents, supported 513 vulnerable residents

into employment, gave debt advice to almost 5,000 people and helped 670 households through the supporting independence scheme.

We use discretionary housing payments (DHP) to help support people to stay in their own homes. DHP is provided as short-term funding to help residents pay their rent, either by maximising their benefit entitlement, budgeting, working to increase their income or moving to more affordable accommodation. DHP is an additional payment to help people who claim housing benefit or the housing costs element of Universal Credit and are struggling to pay their rent. In 2011-12 we received £94,326 in DHP funding; the allocation for 2019-20 is £932,043.

Increasingly, we are using this funding to mitigate the impact of some welfare benefit reforms including reductions in benefits due to the bedroom tax, the lower benefit cap, or for those who find themselves in severe hardship. The lower benefit cap that government introduced in Newcastle in 2016 is affecting over 300 families who have seen a reduction to their household income of up to £149 per week. We estimate that DHP funding covers around 20% of the welfare reform cuts and because it is discretionary funding neither we nor residents can rely on this funding.

5.4 Council Tax

The government has assumed that councils will raise Council Tax and apply the adult social care precept to make up for social care funding shortages. Newcastle, like other councils across the country will need to raise Council Tax.

By 2020, we will have less to spend per household than the average across England as a whole. The combined impact of the proposed 1.95% increase in Council Tax and 2% adult social care precept will be added £64.90 to the annual bill for a Band D property and £43.27 for Band A.

The government has also introduced changes to the long-term empty property premium, and we propose to increase this. This will result in properties which have remained empty for two years being charged more for Council Tax. By doing this it is hoped that owners and landlords are encouraged to bring their properties back into use.

What are we doing?

We will use the income we generate to avoid the need to make further reductions to some services. The increase we have proposed is below the level that is defined as excessive by the Secretary of State.

In supporting care leavers up to the age of 25, we will continue to offer a discretionary hardship payment to meet their Council Tax liability for a full year.

People who have reached pension age on 1 April 2020 will be considered for Council Tax reduction based on the government's national scheme and assessed on 100% of their Council Tax. This means the impact falls disproportionately on working age people and the amount charged is determined by each council as their local scheme.

We recognise that some of these changes may be disproportionately affected by certain groups of people. However, we will continue to help and support those most in need by providing the Council Tax Reduction Scheme and continue to signpost people to the debt

management and advice services. Individuals experiencing severe financial difficulties and are unable to pay their Council Tax can also apply for support through our Council Tax Hardship Scheme.

5.5 Digital access to services

Supporting people to develop the confidence and skills to access digital services is a key element of our commitment to tackling inequality and ensuring that everyone can benefit from their everyday use. Digital channels enable residents to contact us at a time and place convenient for them and improve our efficiency. However, we recognise that digital services may not be suitable for all and that some residents will continue to require face to face support in accessing our services.

Our Get Online partnership with YHN supports residents to gain digital skills so that they have the confidence and skills to access and use the internet. We are a national digital leader for improving digital literacy, building confidence, nurturing wellbeing, promoting employability and enhancing social connectivity.

We have continued to develop our digital inclusion offer. Our Techy Tea Parties have to date attracted 668 people, 732 residents attended and completed basic online skills training and 18 volunteers currently support in these sessions. 205 staff and volunteers from third sector organisations have completed the Get Online Champions training. We are also working with partners such as Newcastle City Learning, Newcastle Futures and The Skills Hub to maximise resources by developing a city-wide approach to digital support.

6. Our communities

Newcastle continues to be one of the safest large cities in the UK but, similar to the national picture, there have been increases locally in recorded crime over the last few years. While there has been an increase in certain types of crime, other rises can be linked to improvements in crime recording and victim confidence to report crimes to the police. Despite the rise, the most recent Safer Communities Survey indicates that a very high proportion of residents (96%) feel very or fairly safe living in their neighbourhood in Newcastle.

There is no longer any government funding for local authority community safety programmes. This means that our Safe Newcastle services are maintained at statutory minimum level and includes the prevention and reduction of crime and anti-social behaviour, reduction of substance use and reoffending, safeguarding to tackle extremism and undertaking Domestic Homicide Reviews.

Through income generation and partnership working, we continue to maintain public space CCTV, work to tackle hate crime and prevent domestic violence and abuse. However, there will be an impact on the level of support we are able to provide for Safe Neighbourhoods work to tackle crime and anti-social behaviour in all wards of the city. To minimise the impact of this, we have secured funding for additional staff to support the continued delivery of Safe Neighbourhoods work in areas where there are Your Homes Newcastle tenants.

We recognise how important it is for people to feel safe in their neighbourhoods and to have trust and confidence in local services. To support this, we continue to provide a range of regulatory services and environmental services, responding to complaints about noise, littering, dog fouling, fly-tipping, vandalism and graffiti.

We continue to work with partners including for example the Youth Offending Team, schools, community groups and police to tackle issues and reduce community tensions when they surface.

7. Environmental impacts and climate change

We know that the future success of our city depends on our ability to mitigate and adapt to climate change and we take seriously our responsibility to protect our planet for generations to come. In April 2019, we declared a climate emergency and we have committed to reduce the city's carbon footprint to zero by 2030, 20 years ahead of government.

We know that this challenging target will require action from everyone, far beyond our role as a council, which is directly responsible for just 5% of emissions. It is for this reason we are establishing a citizens' assembly on climate change, through the North of Tyne Combined Authority, and a net zero task force of city partners in addition to creating a climate change committee and publishing a call for evidence in Newcastle.

We have made good progress on carbon reduction in recent years, installing more than 1,000 solar panel systems for our social homes, developing district heating systems, supporting schools to achieve Eco Schools' Green Flag status and encouraging active travel. However, we know there is much more to do.

We have also now started to assess potential climate / environmental impacts of our budget proposals which are part of our detailed integrated impact assessment process (See Annex 1).

8. Impacts on our workforce

Austerity driven budget reductions have inevitably impacted on our staff. The size of our workforce has decreased from 9,950 contracted employees in 2010 to 5,500 in 2019.

As one of the largest employers in the city, we have championed job quality, opportunity and fair pay through our sustained commitment to the Newcastle Living Wage. We have committed to the Living Wage rate in May 2011 and following the work of an independent Fairness Commission, we introduced the Newcastle Living Wage in November 2012. Since that date, we have reviewed the Newcastle Living Wage rate by tracking and adopting the Foundation Living Wage rate which is announced by the Joseph Rowntree Foundation each November.

The adoption of a Newcastle Living Wage has benefitted around 1,100 of our employees each year. From April 2019, the Newcastle Living Wage rate, when applied to our new salary grades, will be aligned with the Foundation Living Wage rate of £9.00 per hour, an uplift to our staff on the lowest pay grades.

We know that some protected groups have reduced at a greater rate than the overall workforce average within that period. Similarly, the ratio of voluntary to compulsory redundancies varies by protected characteristics with some groups showing higher proportions of compulsory redundancies compared with the overall workforce average.

As part of our commitment to equality we will continue to look at how we monitor workforce reductions.

In addition, reduced budgets mean there continue to be limited recruitment activity. We will continue to apply our equalities policies and procedures to both redundancy and recruitment processes to demonstrate fairness.

9. Next Steps – ongoing review of cumulative impact assessment

Feedback received during consultation and during implementation will continue to inform our proposals. Working with residents and our partners, we will explore and monitor the cumulative impacts that emerge as our proposals are implemented. This information will be used to help us develop and shape mitigation initiatives and to inform future decisions going forward.

Annex 1 – Summary of impacts

IIA	Disability	Sex	Age	Marriage/civil partnership	Pregnancy and maternity	Race and ethnicity	Religion and belief	Sexual Orientation	Gender Reassignment	Other impacts
Re-commissioning day care			Older people							Businesses Geography Community Cohesion Health and wellbeing
Reviewing the way we support people after a crisis			Older people							Carers Businesses Community Safety Health and wellbeing
Financial management			Older people							People vulnerable to socio economic influences
Being well in Newcastle										
Council Tax and adult social care precept			Older people							People vulnerable to socio economic influences

Key:

	Actual impact
	Potential impact
	No impact
	Potential benefit
	Both potential impact & benefit

Please note the table shows indicative impacts prior to mitigation. The use of temporary funding and additional measures has mitigated or negated potential disadvantage for people with protected characteristics wherever possible and should be read in conjunction with the full cumulative impact assessment to contextualise initial findings.