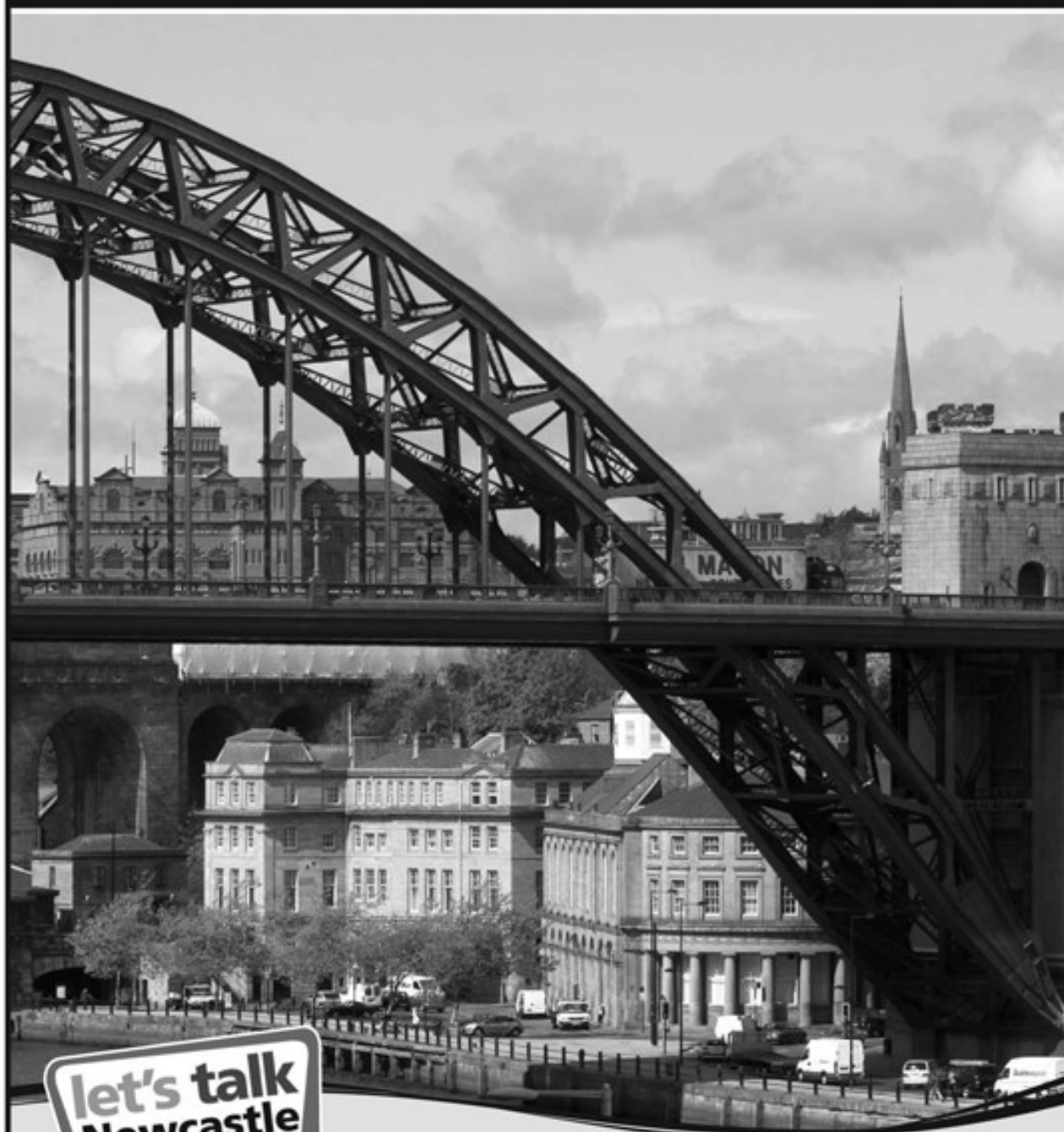


Council tax support scheme Summary document



www.newcastle.gov.uk/counciltax

Newcastle
City Council 

Introduction

What is Council Tax Support?

Council Tax Support (CTS) can be claimed by people on a low income to help pay their Council Tax. It is calculated using the income and household details of the claimant (and partner if they have one) and other family members living with them.

Central government sets the rules for all pension-aged households, including who can claim and how, so the council can only change the Council Tax Support Scheme for **working-age claimants**.

Across the City of Newcastle there are currently over 25,000 working-age Council taxpayers who receive Council Tax Support.

We are legally required to consult on any proposed changes to the scheme, and we are asking you to take part in this consultation to find out what you think about our proposed Council Tax Support Scheme, which would start from 1 April 2026. We want to:

- provide support for care leavers,
- provide support for terminally ill people and prevent people dying in poverty, and
- ensure that we continue to uphold the Armed Forces Covenant by disregarding any payment from the Armed Forces Compensation Scheme.

Background to the Council Tax Support Scheme consultation

Why are we making changes?

From 1 April 2026 we propose to make a small number of important changes to our council tax support scheme for working-age applicants.

What changes are we proposing?

The proposed changes to the Council Tax Support Scheme will affect **working-age households** in the city who will get Council Tax Support from 1 April 2026.

Pension age claimants will not see any change as the scheme to support this group is set out by central government.

The areas we are consulting on are:

- providing additional support to Care Leavers (**Part 1**)
- providing support for terminally ill people and prevent people dying in poverty (**Part 2**) and
- ensuring that the council continues to uphold the Armed Forces Covenant by disregarding any payment from the Armed Forces Compensation Scheme (**Part 3**).

Are there any alternatives to changing the existing Council Tax Support Scheme?

We have thought about other options, but we feel that the proposed changes will make the scheme fairer.

Part 1 - Providing additional support to Care Leavers

We propose to provide assistance with Council Tax to people who are leaving care. This has been implemented to reflect challenges faced by many care leavers as they learn to budget their finances.

Care leavers are a particularly vulnerable group for Council Tax debt. As they move into independent accommodation and begin to manage their own budget, it can be a challenging time, made worse if they fall behind with Council Tax.

The council wants to support care leavers **up to the age of 25**, by the granting of a discretionary reduction of up to 100% of the Council Tax liability in certain circumstances. This means that we will be providing financial support to care leavers whilst they develop independent lives and life skills.

Assistance will only be provided to care leavers who live within the City of Newcastle area.

The potential benefits of doing this are:

- It will provide a reduction in council tax of up to 100% to this group.
- It will support care leavers to develop independent lives and life skills.

The potential downsides of doing this are:

- It may increase the cost of the scheme.

Part 2 - Providing support for the terminally ill and help prevent people dying in poverty

We are keen to prevent people who are terminally ill from dying in poverty. It is proposed that up to 100% Council Tax Support will be granted where:

- the person applying is entitled to an amount of Council Tax Support under the council's scheme,
- a member of the household is diagnosed as terminally ill, and
- a SR1 form (Special Rules 1 form) has been completed by a recognised clinician.

The potential benefits of doing this are:

- It will help to prevent terminally ill people dying in poverty.

The potential downsides of doing this are:

- It may increase the costs of the scheme.

Part 3 - Ensuring that the council continues to uphold the Armed Forces Covenant by disregarding any payment from the Armed Forces Compensation Scheme

We are keen to ensure that it continues to uphold the Armed Forces Covenant by disregarding any payment from the Armed Forces Compensation Scheme. In other words, we will not take this payment into account, as either income or capital, when we calculate a veteran's entitlement to Council Tax Support.

The proposed change will disregard any payments from the scheme as either income or capital when calculating any entitlement to Council Tax Support.

The potential benefits of doing this are:

- It will help any applicant who has served in the armed forces and is entitled to an Armed Forces Compensation payment, and
- It will ensure that we continue to uphold the Armed Forces Covenant.

The potential downsides of doing this are:

- It may increase the costs of the scheme.

Have your say

It is very important that we get your views on our proposed scheme. You can do this by filling in an online survey at:

<https://letstalknewcastle.co.uk/consultations> to give us your feedback.

Thank you for taking the time to share your views. It should take around 10 - 15 minutes to do this. The last day for submitting responses is 5pm on Sunday 28 December 2025.

If you have any questions about this survey or need us to do anything differently to help you take part, including providing this information in another language or format, please contact revsandbens@newcastle.gov.uk. Alternatively call 0191 211 5065 or 0191 211 6074.

Next Steps

Following the decision, the full results from the consultation will be available on our website: www.newcastle.gov.uk.

Any new scheme will start on 1 April 2026. We will consider the impact of the scheme annually and consult again if we think further changes need to be made.

This consultation closes at 5pm on Sunday 28 December 2025.