

Integrated Impact Assessment 2026/27

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IIA review checklist

For internal use only

Review or approval required	Officer	Date
Lead officer	Lesley Watson	30/09/2026
Business Management Partner review of IIA overall	Katherine Preston	01/10/2026
Finance Partner review of revenue and capital information		
Operational HR – Lead Specialist review of workforce implications		
DLT		
Director	Mark Nicholson	01/10/2026
Cabinet Portfolio Holder		

IIA quality assurance checklist

Quality assurance required	Officer	Date
Equality and Wellbeing	Louise Crosby	
Inclusive Economy	Robin Beveridge	01/10/26
Community Safety	Joan Flood	30/09/26
Climate Change	Adrian McLoughlin	01/10/26
Consultation	Louise Reeve	30/09/26
Carers	Bryan Bradley	30/09/26
Public Health	Rawiyah Ahmad	

Informing our approach to fairness

Proposal name

Changes to Council Tax Support Scheme 2027/2028

Date of assessment

September 2026

Lead officer

Lesley Watson, Revenues and Benefits Manager

Assessment team

Lesley Watson, Carolyn Gibson, Lindsey Imeson

Portfolio area

Deputy Leader of the Council and Cabinet Member for Finance and Resources

Version number

1

Planned review date

December 2026

Section A: Current service

1 What does the service, policy or function do?

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

In April 2013, the Government abolished Council Tax Benefit for working-age people and local authorities were required to design local Council Tax Support schemes.

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

In April 2026 amendments introduced additional targeted support for vulnerable working-age residents, including enhanced support for care leavers aged under 25, households affected by terminal illness and the full disregard of Armed Forces Compensation Scheme payments. The changes were intended to reduce financial

hardship and ensure that these circumstances did not disadvantage residents when their Council Tax Support was calculated.

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

This service is for working-age adults across the city who meet the Council Tax Support eligibility rules. This includes people receiving Universal Credit, legacy benefits or who are otherwise on a low income.

The proposed changes are particularly relevant to residents whose health or disability significantly limits their ability to work, unpaid carers, families with disabled children, low-income households with modest savings, and households experiencing exceptional financial hardship.

By working age, we mean those aged 18 to 65 and for pensioners, people who have reached the qualifying age for Pension Credit on 1 April 2027.

Pension-age applicants are covered by the nationally prescribed scheme and are not affected by the proposed changes.

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

The Council is required to provide a Council Tax Support scheme under the **Local Government Finance Act 1992 (as amended)**.

Section 13A requires each billing authority in England to make a scheme specifying reductions in Council Tax for people, or classes of people, whom the authority considers to be in financial need.

The **Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012** set out requirements that must be included within local Council Tax Support schemes.

The regulations distinguish between:

- **Working-age applicants**, where the Council has discretion in the design of its local scheme, subject to the prescribed requirements.
- **Pension-age applicants**, for whom nationally prescribed provisions apply

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: The financial impact of the proposed changes to the Council Tax Support scheme is considered separately below.

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: The proposals changes do not change the staffing establishment.

Section B: Proposals for the future service

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

From 1 April 2027, the Council is proposing five changes to the working-age Council Tax Support scheme:

- increase the capital limit from £6,000 to £8,000;
- fully disregard the Limited Capability for Work and Work-Related Activity (LCWRA) element of Universal Credit;
- disregard Carer's Allowance;
- disregard the Disabled Child Element of Universal Credit; and
- introduce an Exceptional Hardship provision allowing additional help, potentially up to 100% of the Council Tax bill, for CTS recipients experiencing exceptional financial hardship.

Pension-age claimants are not affected because their scheme is prescribed by Central Government.

More information is available in the Council Tax Support Scheme summary document.

7 What evidence did you use to inform this proposal

The proposals have been developed using current CTS caseload information and modelling of the financial effect of the changes.

There are currently:

- 4,243 CTS claims that include an LCWRA element,
- 3,256 claims where Carer's Allowance is included in the calculation, and
- 722 claims where the Disabled Child Element is included.
- The capital proposal responds to the position of low-income households who have modest savings above the current £6,000 limit.
- The scheme design also recognises that disability, caring responsibilities and exceptional financial hardship can increase household costs or restrict earning capacity.

Consultation responses will provide further evidence and the IIA will be reviewed following the conclusion of the consultation.

8 What are the financial impacts of the proposal?

The estimated additional annual cost is:

- £0.118 million for increasing the capital limit.
- £1.035 million for disregarding LCWRA,

- £0.843 million for disregarding Carer's Allowance, and
- £0.216 million for disregarding the Disabled Child Element.

The estimated combined annual cost of implementing these four proposals is £1.35 million. This is lower than the sum of the individual estimates because some residents will benefit from more than one of the proposed changes, with the combined effect moving them into the 100% Council Tax Support band.

The Exceptional Hardship provision may also increase the cost of the scheme.

Council Tax reductions and remissions are funded locally. The Council therefore needs to balance providing support to residents experiencing financial hardship with the overall cost to Council Taxpayers, while also protecting the essential services that residents and communities rely on.

9 What will be the impact of the proposal on employees

No direct impact on the Council's staffing establishment has been identified.

The proposals will require scheme rules, guidance, systems and staff communications to be updated.

The Exceptional Hardship provision will also require individual applications to be considered and administered. Operational impacts will therefore be monitored as implementation arrangements are developed.

Section C: Consultation

10 Engagement to help develop the proposal

Who we have engaged with to develop this proposal

The proposals have been informed by the Council's experience of administering the existing working-age CTS scheme and current caseload information.

Discussions have taken place with Welfare Rights to understand the most common issues raised by residents in relation to Council Tax arrears.

Formal consultation on the proposed 2027/28 scheme will provide residents and other interested parties with an opportunity to comment on the proposals. Previous public consultations have also informed the development of Newcastle's working-age scheme.

The evidence from the 2027/28 consultation will be added to this assessment before final decisions are made.

When and how we engaged

Previous public consultation

Feedback received through previous public consultations has helped inform the development of the working-age Council Tax Support scheme.

2012: <https://www.letstalknewcastle.co.uk/consultations/26/participate>

2016: <https://www.letstalknewcastle.co.uk/consultations/132/participate>

2018: <https://www.letstalknewcastle.co.uk/consultations/198/participate>

2020: <https://www.letstalknewcastle.co.uk/consultations/266/participate>

2022: <https://www.letstalknewcastle.co.uk/consultations/294/participate>

2026: <https://www.letstalknewcastle.co.uk/consultations/572/participate>

11 Who will we engage with during the consultation

Who will we engage with during the consultation

- Precepting Authorities (public sector organisations, such as combined authorities, that set a 'precept', which is a demand for a specific amount of money to be collected through council tax.)

- Parish Councils
- People currently using the Council Tax Support scheme
- People who could use the Council Tax Support scheme, if the proposed changes are implemented
- Disabled residents and people whose health limits their ability to work
- Unpaid carers
- Families with disabled children on a low income
- Residents
- Landlords

When and how we will engage

Consultation will run from 5 October 2026 to 15 November 2026 through Let's talk Newcastle, the Council's online consultation portal, and by issuing letters. We will communicate details of the consultation to stakeholders, and collect their feedback using the following channels:

- Letters to Precepting Authorities and Parish Councils
- Let's Talk Newcastle consultation
- Newcastle Advice Compact
- Staff Communications
- Active Inclusion Newsletter

Information will be made available in alternative formats available where required to support people to take part in the consultation.

Our Consultation Plan sets out the details of how the consultation will be undertaken and is available on request from the lead officer.

12 Feedback from the consultation process

Who provided feedback during the consultation

TBC - to be completed following consultation.

When and how did we engage

TBC - to be completed following consultation.

Main issues raised

TBC

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 benefit

Impact

The proposals apply to working-age households. Increasing the capital limit and introducing an Exceptional Hardship provision may benefit eligible residents across the working-age range. Other proposals target circumstances rather than age. Pension-age claimants are not affected because their Council Tax Reduction scheme is prescribed nationally.

How we will remove or reduce the impact

No adverse age impact has been identified at this stage. Consultation responses will be monitored for differential impacts by age.

Disability

Type of impact

Actual and potential benefit

Impact

LCWRA disregard directly benefits eligible CTS claimants whose health condition or disability significantly limits their ability to work. There are currently 4,243 CTS claims containing an LCWRA element. Disregarding the Disabled Child Element will provide additional support to eligible families with disabled children, with 722 current claims containing this element. The Exceptional Hardship provision may provide an additional safety net where disability or ill health contributes to severe financial difficulty.

How we will remove or reduce the impact

Not applicable

Gender reassignment

Type of impact

No Impact Identified

How we will remove or reduce the impact

Not applicable

Marriage and civil partnerships

Type of impact

No Impact Identified

Impact

Not applicable

How we will remove or reduce the impact

Not applicable

Pregnancy and maternity

Type of impact

No Impact Identified

Potential benefit

Not applicable

How we will remove or reduce the impact

Not applicable

Race and ethnicity

Type of impact

No Impact Identified

Impact

Not applicable

How we will remove or reduce the impact

Not applicable

Religion or belief

Type of impact

No impact identified

Impact

No differential impact has been identified. The proposed eligibility changes do not distinguish by religion or belief.

How we will remove or reduce the impact

Not applicable

Sex

Type of impact

Potential benefit

Impact

The proposals are not based on sex. The Carer's Allowance disregard will benefit eligible CTS claimants receiving Carer's Allowance, and other proposals will benefit people according to disability, family and financial circumstances. Any differential effect by sex will be considered using consultation and available equality information.

How we will remove or reduce the impact

Not applicable

Sexual orientation

No impact identified

Impact

No differential impact has been identified. Eligibility is based on financial and household circumstances rather than sexual orientation.

How we will remove or reduce the impact

Consultation responses will be monitored for any unintended impact.

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

Actual benefit

Impact

The change is intended to reduce financial disadvantage for eligible carers.

How we will remove or reduce the impact

Consultation feedback will be used to identify any gaps or unintended consequences.

Care experienced People

Type of impact

No impact

Impact

Not applicable

How we will remove or reduce the impact

Not applicable

Socio-economic impacts**Type of impact**

Actual and potential benefit

Impact

All five proposals are intended to increase support for working-age households on low incomes. The capital change widens access for households with modest savings; the three income disregards increase support for eligible disabled people, carers and families with disabled children; and Exceptional Hardship provides a safety net for CTS recipients facing severe financial difficulty. These measures may reduce Council Tax arrears and financial pressure for affected households.

How we will remove or reduce the impact

Not applicable

Businesses**Type of impact**

No direct impact identified

Impact

Not applicable

How we will remove or reduce the impact

Not applicable

Geography

Type of impact

Potential benefit

Impact

The scheme applies across Newcastle. Areas with higher concentrations of low-income households or residents affected by disability and caring responsibilities may experience greater benefit, but no area is excluded from the proposals.

How we will remove or reduce the impact

Monitor take-up and outcomes across the city where data is available to identify geographical differences in access or impact.

Community cohesion

Type of impact

Potential benefit

Impact

Targeting additional assistance at residents facing disability-related, caring or exceptional financial pressures may support perceptions of fairness and inclusion.

How we will remove or reduce the impact

Provide clear information explaining the rationale and eligibility rules and consider consultation feedback about fairness between groups.

Community safety

Type of impact

Potential indirect benefit

Impact

Reducing severe financial pressure and helping prevent Council Tax arrears may contribute indirectly to household stability. No direct community safety impact has been identified.

How we will remove or reduce the impact

No specific mitigation is required. Monitor consultation feedback for any identified issues.

Reducing health and wellbeing inequalities

Type of impact

Potential benefit

Impact

LCWRA and Disabled Child Element disregards directly increase support for eligible households affected by disability or ill health. The Carer's Allowance disregard supports unpaid carers, while the Exceptional Hardship provision offers a safety net for households facing severe financial difficulty. Reducing Council Tax pressure may help reduce financial stress for affected residents.

How we will remove or reduce the impact

Not applicable

Climate change and environment

Type of impact

No impact identified

Impact

No direct environmental or carbon impact has been identified from the proposed changes to financial eligibility and support.

How we will remove or reduce the impact

Not applicable