Newcastle City Council

Integrated Impact Assessment 2027-28

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IIA review checklist

For internal use only

Review or approval required	Officer	Date
Lead officer	Lesley Watson	10/11/2026
Business Management Partner review of IIA overall	Katherine Preston	04/11/2026
Finance Partner review of revenue and capital information	Alex Blenkarn-Durning	11/11/2026
Operational HR – Lead Specialist review of workforce implications	N/A	
DLT	CFO	12/11/2026
Director	Mark Nicholson	04/11/2026
Cabinet Portfolio Holder	Cllr Mark Mitchell	11/11/2026

IIA quality assurance checklist

Quality assurance required	Officer	Date
Louise Crosby: Equality and Wellbeing Hayley Hoben-Blight: Equality and Wellbeing	Hayley Hoben-Blight	28/10/2026
Robin Beveridge: Inclusive Economy	Robin Beveridge	28/10/2026
Joan Flood: Community Safety	Joan Flood	09/11/2026
Adrian McLoughlin: Climate Change	Adrian McLoughlin	27/10/2026
Louise Reeve: Consultation	Louise Reeve	29/10/2026
Bryan Bradley: Carers	Bryan Bradley	30/10/2026
Jessica Hamilton: Public Health	Jessica Hamilton	03/11/2026

Informing our approach to fairness

Proposal name

Council Tax 2027-28

Date of assessment

October 2026

Lead officer

Lesley Watson, Revenues and Benefits Manager

Assessment team

Lesley Watson, Carolyn Gibson

Portfolio area

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

Version number

1

Planned review date

January 2027

Section A: Current service

What does the service, policy or function do?

In 2026-27, Council Tax represented around 19.7% of our total external income (excluding Dedicated Schools Grant and Housing Benefit Subsidy Grant). Council Tax income is used to fund a wide range of services for the people of Newcastle upon Tyne, as well as police and fire services (which set their own levels of Council Tax).

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

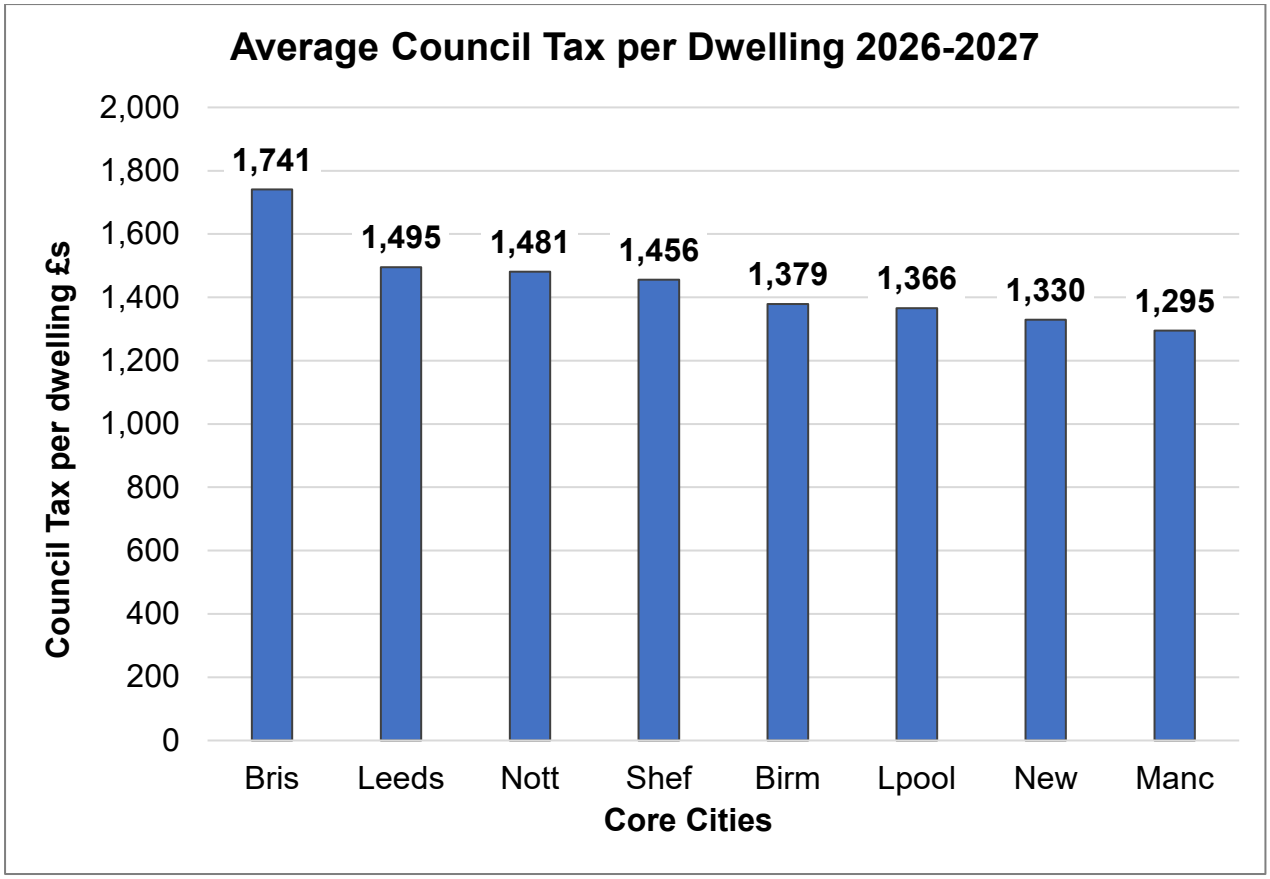
The total amount of Council Tax we will collect is determined by the Council Tax base as well as the level of Council Tax agreed by the council. The Council Tax base is the total of the weighted number of properties at each Council Tax band (ranging from Band A for the lowest valued properties to Band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

The Council Tax base for 2026-27 was calculated at 74,125 Band D equivalents and the Band D charge was £1,844.63 (excluding adult social care, parish, police, and fire precepts). The Band D adult social care precept for 2026-27 was £376.58.

The Band D charge for 2026-27 including adult social care, police and fire was £2,540.66 (including adult social care precept, police and fire but excluding parish precepts) as shown below:

Band	Annual charge (£)	Band	Annual charge (£)
A	1,693.77	E	3,105.25
B	1,976.07	F	3,669.84
C	2,258.36	G	4,234.43
D	**2,540.66**	H	5,081.32

Due to the relatively high number of Band A and Band B properties, the average rate of Council Tax paid by residents is low compared with other local authorities (278 out of 296 local authorities). The position when compared with other core cities is set out below.



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

The amount of Council Tax we will collect in 2027-28 will be impacted by the following factors – new properties added and demolished, and the number of discounts, exemptions, premiums and reliefs that are awarded or withdrawn.

The long-term collection rate in 2026-27 was set at 98.0%.

We only write off debt after six years or if it becomes uneconomical to collect, but this can be reversed if the debt later becomes collectible. A write off does not cause us to cease collection efforts where appropriate.

Council Tax Support

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

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

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

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

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 circumstances did not disadvantage residents when their Council Tax Support was calculated.

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

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

Why do we deliver this service, function or policy?

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

The legislation sets out the definition of dwellings to be valued for Council Tax and the procedures for seeking an alteration to the band. The billing authorities for each area have the duty to collect the tax. Current statute states that if a council proposes to increase Council Tax by more than the limit prescribed by the Secretary of State (for 2027-28 this is 3%) then a referendum must be undertaken.

The maximum increase in the adult social care precept is also specified by government each year, and for 2027-28 this is to be set at 2%.

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

Gross expenditure: Not applicable
Gross income: Not applicable
Net budget: Not applicable

Comments: Not applicable

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

Number of posts: Not applicable
Number of full-time equivalent officers: Not applicable

Comments: Not applicable

Section B: Proposals for the future service

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

As in previous years, we are expecting the government will assume in its calculation of core spending power that all local authorities will increase Council Tax by the maximum amount in 2027-28, which is expected to be 3% plus a 2% increase in the adult social care precept.

To set a balanced budget in 2027-28 we need to increase the amount of income raised through Council Tax. We are proposing to increase core Council Tax by 2.99%, which will increase income by £4.9 million (excluding any changes to the Council Tax base). We propose to use this income to avoid the need to make further reductions to service provision beyond those set out in the budget report. We expect this increase will be below the level that is defined as excessive by the Secretary of State for the purpose of the Local Government Finance Act 1992.

In addition, we propose to apply the government's 2% Council Tax precept for adult social care to help fund the increasing demand for and cost of adult social care. This will generate an additional £3.3 million of Council Tax income (excluding any changes to in the Council Tax base).

The table below shows the weekly impact of the combined 4.99% increase (excluding police and fire precepts).

Band	Proposed Annual Increase (£)	Proposed Weekly Increase (£)	Band	Proposed Annual Increase (£)	Proposed Weekly Increase (£)
A	73.90	1.42	E	135.48	2.61
B	86.20	1.66	F	160.10	3.08
C	98.52	1.89	G	184.74	3.55
D	110.84	2.13	H	221.68	4.26

The table below shows the yearly increase to the council tax charged per percentage increase: (excluding police and fire precepts)

Band	Current 2026-27 Charge (£)	Proposed 2027-28 Charge (£)	**Proposed Annual Increase (£)**	Proposed 2027-28 Charge for Single People (£)	Proposed Annual Increase for Single People (£)
A	1,480.81	1,554.71	**73.90**	1,166.03	55.42
B	1,727.61	1,813.81	**86.20**	1,360.36	64.65
C	1,974.41	2,072.93	**98.52**	1,554.70	73.89
D	2,221.21	2,332.05	**110.84**	1,749.04	83.13
E	2,714.81	2,850.29	**135.48**	2,137.72	101.61
F	3,208.41	3,368.51	**160.10**	2,526.38	120.07
G	3,702.02	3,886.76	**184.74**	2,915.07	138.56
H	4,442.42	4,664.10	**221.68**	3,498.07	166.26

Council Tax Support Scheme

We are proposing to make some changes to the working age scheme in 2027-28 and a separate consultation is being carried out.

The areas we are consulting on are:

- 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.

The impact for those in receipt of Council Tax Support is illustrated in the Council Tax Support Scheme IIA.

We have no discretion over the pension age scheme as this is set by Government.

What evidence did you use to inform this proposal?

Previous public consultations

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

Financial projections

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

People in receipt of benefits are struggling to meet rent and Council Tax due to welfare reform changes. The projections we have modelled show that the increase in charges for most residents already receiving a reduction are small and we will continue to provide Council Tax support in 2027-28 for those people.

Government announcements

That Government announced that local authorities should increase core Council Tax by up to 3% and the adult social care precept by up to 2% in 2027-28. This was confirmed in the Local Government Finance Settlement 2026-27 published on 9 February 2026.

What are the financial impacts of the proposal?

Due to significant cost pressures, even after significant work to deliver efficiencies and identify savings while protecting front-line services, we are currently proposing to increase core Council Tax by 2.99%, which will increase income by £4.9 million (excluding any changes to the Council Tax base), and the adult social care precept by 2%, which will increase income by a further £3.3 million.

What will be the impact of the proposal on employees?

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

Section C: Consultation

Engagement to help develop the proposal

Who we have engaged with to develop this proposal

Residents, landlords, and voluntary sector organisations.

When and how we engaged

Through the previous year's budget consultation process which ran from 16 December 2025 to 21 January 2026. This was hosted on the online Let's talk Newcastle Online consultation portal, where people could access information about our proposals, give their views on them via an online survey, and also find out how to get information in alternative formats, such as large print, if needed.

Main issues raised

Of the people who responded via Let's talk Newcastle Online, 23% agreed with the proposal to increase Council Tax, and 24% thought it was fair and reasonable.

However, when respondents to the People's Budget campaign were asked to find efficiencies required to balance the budget, they all chose to increase council tax by the maximum amount in order to protect services. These findings are consistent with previous consultations on proposed increases in council tax.

Of the responses, five people were concerned about affordability and financial hardship, and five people were concerned about waste and lack of trust. Comments were also received concerning value for money, the need to preserve the single person/household discount, and fairness in charging for services.

Who will we engage with during the consultation

Who will we engage with during the consultation

The stakeholders for this consultation are potentially everyone who pays Council Tax, or uses services paid for by Council Tax, within the Newcastle upon Tyne local authority area – essentially, all residents. We also need to consult with landlords, who are responsible for paying Council Tax when the property is rented out to several people and they each have an individual tenancy agreement to occupy only part of the building and are also liable for Council Tax for any period the property is unoccupied, and a tenancy agreement is not in place.

Finally, we are aware that many residents are supported by voluntary organisations, and often seek advice from them about financial matters, including Council Tax. Therefore, we intend to engage with the following groups:

- Residents
- Landlords
- Voluntary organisations

When and how we will engage

We will engage from 17 November 2026 to 29 December 2026. We will inform people about the consultation using these channels:

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

People and organisations can send us their feedback as follows:

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

Feedback from the consultation process

Who provided feedback during the consultation

TBC

When and how did we engage?

TBC

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

This proposal also reflects our ongoing commitment to the three statutory aims of the Public Sector Equality Duty: to eliminate discrimination, advance equality of opportunity, and foster good relations between people who share a protected characteristic and those who do not.

Some residents may experience cumulative disadvantage because they belong to more than one protected group.

Age

Type of impact

Potential disadvantage

Impact

There may be a disproportionate impact on families with young children or older people living on low pensions. Older residents may be disproportionately affected where digital exclusion creates barriers to accessing council tax information, support schemes or advice.

How we will remove or reduce the impact

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

We will actively support residents through our offline support offer to include supportive and accessible communication and alternative formats

We will also use income from adult social care precept to continue to support the most vulnerable.

Disability

Type of impact

Potential disadvantage

Impact

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

There may also be a disproportionate impact on disabled residents including people with learning disabilities and neurodivergent people, where individuals experience barriers in understanding billing and recovery correspondence, navigating support schemes, engaging through digital channels. These barriers could make it more difficult to access support at the appropriate time and may increase the risk of financial difficulty escalating.

How we will remove or reduce the impact

We are consulting on some changes to the Council Tax Support Scheme which will provide increased support to disabled residents on a low income.

We will ensure that information and communications are as clear and accessible as possible, with appropriate support for residents who may experience difficulty navigating Council Tax processes.

We will actively support residents who are unable to access digitally with our offline support offer to include supportive and accessible communication and alternative formats.

We will continue to signpost to debt management and advice services. Also use income from adult social care precept to continue to support the most vulnerable.

Gender reassignment

Type of impact

No Impact

Impact

Not applicable

How we will remove or reduce the impact

Not applicable

Marriage and civil partnerships

Type of impact

No Impact

Impact

Not applicable

How we will remove or reduce the impact

Not applicable

Pregnancy and maternity

Type of impact

Potential disadvantage

Impact

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

How we will remove or reduce the impact

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

Race and ethnicity

Type of impact

Potential disadvantage

Impact

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

There may also be a disproportionate impact on residents whose first language is not English in understanding billing and recovery correspondence, navigating support schemes, engaging through digital channels. These barriers could make it more difficult to access support at the appropriate time and may increase the risk of financial difficulty escalating.

How we will remove or reduce the impact

We will actively support residents who experience language barriers through accessible communications, translation and interpreting support where appropriate and alternative support and offline routes to include information, advice and support. We will continue to provide Council Tax Support Scheme and continue to signpost to debt management and advice services.

Religion or belief

Type of impact

No impact

Impact

Not applicable

How we will remove or reduce the impact

Not applicable

Sex

Type of impact

Potential disadvantage

Impact

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

How we will remove or reduce the impact

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

Sexual orientation

Type of impact

No impact

Impact

Not applicable

How we will remove or reduce the impact

Not applicable

Other potential impacts

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

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

Carers

Type of impact

Potential disadvantage.

Impact

There may be a disproportionate impact on unpaid carers or those unable to increase their working hours due to restrictions with Carers Allowance.

How we will remove or reduce the impact

We are consulting on some changes to the Council Tax Support Scheme which will provide increased support to residents on Universal Credit who receive an element of Carers Allowance.

Care-Experienced People

Type of impact

No impact

Impact

Not applicable

How we will remove or reduce the impact

We will continue to provide Council Tax Support at 100% for care-experienced people until the age of 25.

Socio-economic impacts

Type of impact

Potential disadvantage

Impact

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

How we will remove or reduce the impact

The Council recognises that increases in Council Tax occur against a backdrop of ongoing cost-of-living pressures. While the continued provision of Council Tax Support mitigates impacts for many low-income households, particular consideration has been given to residents who are disabled, older people, unpaid carers, lone parent households, care experienced young people and residents experiencing socio-economic disadvantage. Monitoring of consultation responses and equality data will continue to inform the final decision-making process.

We will continue to signpost to debt management and advice services.

Businesses

Type of impact

No impact

Impact

Not applicable

How we will remove or reduce the impact

Not applicable

Geography

Type of impact

Potential disadvantage

Impact

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

How we will remove or reduce the impact

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

Community cohesion

Type of impact

Potential disadvantage.

Impact

Financial pressures arising from increasing household costs may contribute to perceptions of unfairness amongst some residents.

How we will remove or reduce the impact

We will continue to provide the Council Tax Support Scheme and continue to signpost to debt management and advice services. We will also use income from the adult social care precept to help fund the increasing demand in adult social care and the long-standing, complex impact of COVID-19 on social care services. Finally, we will promote the communitarian nature of the tax – supporting the community and each other.

Community safety

Type of impact

Potential disadvantage

Impact

Financial pressures arising from increasing household costs may lead people unable to pay or with rising debts turning to illegal activity/ crime as sources of income.

How we will remove or reduce the impact

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

Reducing health and wellbeing inequalities

Type of impact

Potential disadvantage.

Impact

An increase in Council Tax may place additional financial pressure on low-income and vulnerable households. For residents whose budgets are already stretched, this

could result in reduced spending on essential living costs, including priority household bills, rent or mortgage payments, utilities and debt repayments, as well as everyday necessities such as food, housekeeping, essential travel, communication costs, and prescription or medical expenses. Reduced access to these necessities can have a detrimental impact on health and wellbeing, and may disproportionately affect groups already experiencing disadvantage, thereby contributing to or further exacerbating existing health inequalities.

How we will remove or reduce the impact

Continue to provide the Council Tax Support Scheme and ensure residents are aware of and able to access a range of support services available across the city, including financial inclusion, welfare rights and debt advice services, as well as wider community-based support through the Community Wellbeing Pathfinder Service and Newcastle's Wellbeing Hub Network. These services can help residents manage financial pressures, maintain their wellbeing, strengthen social connections, and access practical support, reducing the risk of poorer outcomes associated with social, economic, and health-related challenges.

Considering the wider impacts of fuel poverty, food security, financial stress and mental wellbeing when identifying and supporting residents who may be particularly vulnerable. We will focus on the needs of vulnerable residents with long-term health conditions recognising that financial hardship can interact with existing health equalities.

We will use income from the adult social care precept to help fund the increasing demand in adult social care and the long-standing, complex impact of COVID-19 on social care services.

Climate change and environment

Type of impact

Potential disadvantage.

Impact

In the broader context of the cost-of-living crisis and another global energy crisis, the increase in Council Tax may place further pressure on households and their ability to heat and power their homes adequately.

How we will remove or reduce the impact

We will continue to provide Council Tax Support Scheme and continue to signpost residents and landlords to the range of advice services and support packages available through local, regional and national programmes.

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