



**Hartlepool**  
Borough Council

## OFFICER DECISION RECORD

Department: Finance, IT and Digital Services

Division:

Date Input to System: 06/03/2026

Officer Making Decision: MR J MAGOG

Subject / Description &  
Reason for Decision: Corrective Interpretation of Transitional Protection within the  
Local Council Tax Support Scheme  
(for publication)

Purpose of this Decision Record:

To formally record the decision to interpret the Local Council Tax Support (LCTS) Scheme for 2026/27 so that Transitional Protection (TP) within Universal Credit (UC) is disregarded as income, on the basis that:

- The Council's LCTS scheme is silent on the treatment of TP;
- A recent High Court decision confirmed that counting TP as income is discriminatory and unlawful;
- Immediate corrective interpretation is required to ensure the Council's continued compliance with the Equality Act 2010, Human Rights Act 1998, and relevant case law.

In *R (Bleakley) v Three Rivers DC (2026)* the High Court ruled that treating UC Transitional Protection as income within a council tax reduction scheme unlawfully discriminated against disabled claimants, as the TP arises due to a disability linked migration from ESA to UC.

The 2026/27 scheme, approved by Full Council, is silent on the treatment of UC Transitional Protection but historically under the banded scheme, TP has been treated as income by interpretation rather than because of explicit scheme wording. This interpretation has been adopted from schemes that have been operated by local authorities nationwide. This issue is not restricted to Hartlepool Borough Council.

Disabled residents are more likely to receive TP as part of the UC migration process (as evidenced in the judgment) and continuing to treat TP as income would perpetuate discrimination contrary to section 15 Equality Act 2010 ("discrimination arising from disability").

Corrective interpretation is therefore necessary to comply with the Public Sector Equality Duty.

Furthermore, councils have been encouraged by the Ministry of Housing, Communities & Local Government in a letter dated 18 February 2026 to reflect carefully on the way LCTS schemes treat benefit income during migration from legacy benefits to Universal Credit.

For the 2026/27 financial year, the Council will interpret its LCTS scheme so that:

- Universal Credit Transitional Protection is fully disregarded as income for the purposes of income assessment;
- This interpretation applies across all working age claims from 1 April 2026;
- The interpretation is made because the scheme is silent, and must therefore be construed in a lawful, non discriminatory way consistent with the High Court judgment;
- This interpretation does not amend the scheme and therefore does not require consultation or Council approval; it is an interpretation required for legality.

Officers have modelled the financial impact and, based on current caseload anticipate an impact for circa 100 claimants and a cost of circa £40,000. These figures may vary dependent on changes to individual circumstances, but the cost is expected to decrease as TP reduces. The anticipated cost of adopting this interpretation falls within the existing headroom for LCTS in the Council Tax Base, and as such no further budget adjustment is required.

To ensure long term clarity and transparency, officers will:

- Insert explicit wording into the 2027/28 LCTS scheme to confirm TP is disregarded;
- Report this change to Members during the annual LCTS review process; and
- Make clear that the amendment provides clarity only, as the scheme had been silent previously.

A review of cases will be undertaken during 2026/27 to identify cases where TP was previously counted as income and the claimant's TP arose from disability linked migration, reflecting the Bleakley reasoning. Further actions / decisions will be taken once this review has been completed.

This decision is necessary to address the impact upon residents who may have been adversely affected.

Both the Monitoring Officer and Head of Paid Service have been consulted on this proposal and fully support this corrective interpretation, to avoid unlawful discrimination.

Type of Decision: Non Key

Nature of Delegation  
Being Exercised:

This decision is being made to discharge the s151 officer's primary duty to ensure lawfulness and financial prudence of decision making. In doing so the following delegated powers have been exercised:

DFID13 - To administer and grant Council Tax support to working age adults under the approved Localised Council Tax Support Scheme.

GD3 - To take decisions on behalf of the Authority on all matters where they have managerial or professional responsibilities for their service areas.

GD22 - Variations to existing policies and procedures together with new policies/procedures which do not have significant service or corporate impact, where changes are necessary to ensure compliance with the law, Ministerial Direction or Government Guidance

Alternative Options  
Considered & Rejected:

Failing to implement any corrective interpretation would have an adverse impact upon affected residents and would create unnecessary and avoidable risks to the local authority in terms of legal challenge.

Any Declared Register of  
Interest:

No

Other Considerations:

#### **OFFICER WITH THE DELEGATION**

**NAME:** MR J MAGOG  
**POSITION:**

#### **IN CONSULTATION WITH...**

**NAME:** DENISE MCGUCKIN  
**POSITION:** Chief Executive

**NAME:** HAYLEY MARTIN  
**POSITION:** Director of Legal, Governance & HR

#### **AUTHORISED BY**

**NAME:** MR J MAGOG  
**POSITION:**  
**DATE:** 09/03/2026