



<b>Report To:</b>	Council
<b>Date:</b>	28 January 2026
<b>Subject:</b>	Local Council Tax Support Scheme 2026/27
<b>Purpose:</b>	To determine the Council Tax Support scheme, 2026/27
<b>Key Decision:</b>	No
<b>Portfolio Holder:</b>	Councillor Thomas Kemp, Portfolio Holder for Finance
<b>Report Of:</b>	Russell Stone, Director of Finance and Section 151 Officer
<b>Report Author:</b>	Sharon Hammond, Head of Revenues and Benefits
<b>Ward(s) Affected:</b>	All
<b>Exempt Report:</b>	No

### **Summary**

This report seeks Council approval of Executive Board's recommendations in respect of the final proposals for the 2026/27 Council Tax Support scheme.

### **Recommendations**

That Council approves the Executive Board recommendation for continuation of the current Council Tax Support scheme, providing a maximum level of support of 85% for households with children and 75% for other households, uprated in line with DWP's annual update of allowances and premiums for 2026/27.

### **Reasons for Recommendations**

Full Council must make any revision to its scheme, or any replacement, and agree its final scheme no later than 11<sup>th</sup> March 2026, in relation to the 2026/27 financial year.

The recommendation has regard to the earlier deliberations of Executive Board, and the outcome of the consultation process.

Up-rating in line with Department for Work and Pensions (DWP) will ensure the scheme continues to support the most vulnerable and low-income households by using nationally recognised rates of DWP income.

### Other Options Considered

To reduce the maximum level of support to 70% for households with children and 60% for other households.

This option was consulted on but rejected in favour of retaining the current level of support at this time, for the reasons set out in this report.

## 1. Background

- 1.1. Local Council Tax Support schemes replaced the former national Council Tax Benefit (CTB) scheme from April 2013, with government placing the duty to create a local scheme for working age applicants with billing authorities. Central funding was reduced and then, in subsequent years subsumed into other grants paid to local authorities. It is no longer possible to identify the amount of funding provided by central government.
- 1.2. This annual review relates only to Working Age claimants as the scheme for pensioners continues to be prescribed by government, allowing up to 100% support against Council Tax liability. The council has no power to change the level of support for pensioners. In addition, the local scheme protections for War pensioners and Care Leavers up to the age of 25 are not affected by any scheme review proposals.
- 1.3 Following a fundamental review last year, from 1 April 2025 East Lindsey District Council's scheme provides a maximum level of support for working age claimants up to 85% for households with children and 75% for other households. The working age scheme currently supports 6,104 working age claimant households, costing £5.7million (of which £668k is the cost to this Council).
- 1.4 A breakdown of total current caseload and expenditure is shown in the table below.

	<b>Current Caseload Count</b>	<b>2025/26 CTS Expenditure £</b>	<b>Cost to East Lindsey District Council (11.64%)</b>
<b>All Groups</b>	<b>11,595</b>	<b>12,410,210</b>	<b>£1,444,548</b>
Pensioner	5,491	6,675,527	£777,031
Working Age	6,104	5,734,683	£667,517

- 1.5 An Exceptional Hardship Fund, administered under the discretionary provisions of Section 13A (1) (c) Local Government Finance Act 1992, introduced in 2025/26, operates alongside the Council Tax Support scheme.

## 2. 2026/27 Scheme Consultation

2.1 Executive Board decided at its meeting on 24 September 2025 to consult on two options: -

1. **To retain the current maximum level of support for Households with Children 85% and Other Households 75%.**

This option would see the level of support, and therefore scheme expenditure, continue at its current level.

2. **Reduce the maximum level of support to 70% for Households with Children and 60% for Other Households.**

This option would reduce overall scheme expenditure by around £1.1million, generating a saving of around £132k for this Council. This would reduce the level of support, and therefore increase Council Tax payment requirement, for all working age claimants.

2.2 In line with statutory requirements, consultation has been carried out with major preceptors, and other persons likely to have an interest in the operation of the scheme. The consultation took place between 26 September and 8 November 2025.

2.3 Major precepting authorities have been consulted on the proposals.

Lincolnshire Police and Crime Commissioner noted the two options being consulted on, adding it is supportive of proposals which provide for the comparability of Council Tax Support schemes given the proposals for local government reorganisation.

Lincolnshire County Council responded that as a major preceptor, they would support option 1 which does not look to increase the cost of the scheme, as this reduces the Council Tax collected to pay for local services. They recognised that 'option 2' looked to reduce the cost of the scheme and that it would be helpful to understand the impact it may have on the collection fund, if support was being reduced.

2.4 The wider public consultation included publicity through media release, website and social media. Letters were issued to major precepting authorities, and an email was sent to a number of groups that represent individuals identified in the Equality Act.

A total of 58 responses were received. With such a low response rate it is recognised that the results cannot be relied upon as being wholly representative or statistically significant.

2.5 Feedback from the public consultation is summarised below: -

Option 1 Retain the current maximum level of support for households with children at 85% and other households at 75%, and find savings elsewhere.	48.3%
Option 2 Reduce the maximum level of support to 70% for households with children and 60% for other households.	41.4%

The survey included a 'None of the above' option, drawing a 10.3% response rate.

Free text commentary indicates respondents are divided between those urging protection or increase of council tax support for vulnerable groups, and those calling for reduced support, greater efficiency and spending cuts to limit council tax rises with strong concerns about fairness and the personal impact of any changes.

2.6 The full consultation report is shown at Appendix 1.

### **3. 2026/27 Scheme Post-Consultation Considerations**

3.1 Following a fundamental review last year, the Council intended the current scheme should operate for a full financial year before review, however this was brought forward for consideration this year as part of the Council's wider range of savings proposals.

3.2 While acknowledging the importance of Council Tax Support for some households, Executive Board decided to seek views on reducing support levels as a potential cost-saving measure to help balance the 2026/27 budget, if required, recognising that Council Tax Support schemes must be affordable.

3.3 Reducing support to the levels consulted on would reduce the total scheme cost by around £1.1million (saving this Council around £132k) and would require all working age claimant households to pay higher council tax bills from next year, on average £4 per week (£208 per year), based on 2025/26 charges.

3.4 In the backdrop of the current economic climate, a reduction in the level of support provided is likely to have significant consequences for many low income / benefit households, particularly those that are just about coping. As such higher levels of non-payment and escalation of debt may be consequences of reduction in support.

3.5 The Council has discretion to provide further support for households experiencing 'exceptional' hardship, however unlike the cost of the Council Tax Support scheme, which is shared with major precepting authorities with East Lindsey's share being around 12%, any discretionary award would be at 100% cost to this Council.

3.6 Most respondents, who expressed a view on the two options through the consultation process, felt that the Council should retain the current maximum level of support.

### **4. Conclusion**

4.1 The option to reduce the level of support was consulted on not as a preferred option, but as a means that would ensure, if it needed to, that the Council could reduce the level of support to reach a balanced budget.

4.2 Considering the Council's current financial position, and the impact a reduction in the level of support could have on households across the district, there is no requirement at this time to generate savings from this scheme. The recommendation for

continuation of the current scheme will therefore provide some continuity and stability for working age recipients of this support in 2026/27.

## **Implications**

### **South and East Lincolnshire Councils Partnership**

None

### **Corporate Priorities**

None

### **Staffing**

None

### **Workforce Capacity Implications**

None

### **Constitutional and Legal Implications**

The authority is required to make its Local Council Tax Support Scheme, including any revised or replacement schemes, in accordance with the Local Government Finance Act 1992.

Final scheme rules will incorporate provision for pensioners, as prescribed by central government.

### **Data Protection**

None

### **Financial**

Should Council approve the recommendations set out in this report, the 2026/27 budget setting process would need to note the implications.

### **Risk Management**

None

### **Stakeholder / Consultation / Timescales**

The Section 151 Officer and Portfolio Holder for Finance have been consulted on this report.

Legislation requires consultation to be carried out with major precepting authorities, the public and other stakeholders where changes to the scheme are proposed. Consultation has been carried out, as detailed in Section 2 and Appendix 1 of this report.

### **Reputation**

None

### **Contracts**

None

### **Crime and Disorder**

None

### **Equality and Diversity / Human Rights / Safeguarding**

The Council Tax Support scheme continues to be administered based on the principles of the previous national Council Tax Benefit scheme and retains the core features that recognise additional needs of the disabled, those with children and those with caring responsibilities.

### **Health and Wellbeing**

None

### **Climate Change and Environment Impact Assessment**

None

### **Acronyms**

CTS - Council Tax Support

DWP – Department for Work and Pensions

### **Appendices**

Appendices are listed below and attached to the back of the report:

Appendix 1                                      Consultation report

### **Background Papers**

None

### **Chronological History of this Report**

None

**Report Approval**

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