



Report To:	Cabinet
Date:	16 December 2025
Subject:	Local Council Tax Support Scheme 2026/27
Purpose:	To determine the Council Tax Support scheme, 2026/27
Key Decision:	N
Portfolio Holder:	Councillor Paul Redgate, Portfolio Holder for Finance
Report Of:	Russell Stone, Director of Finance (Section 151 Officer)
Report Author:	Sharon Hammond, Head of Revenues & Benefits
Ward(s) Affected:	All
Exempt Report:	No

Summary

This report presents the outcome of the consultation process for Cabinet's consideration and seeks its recommendation regarding the proposed Council Tax Support scheme for 2026/27.

Cabinet's final scheme recommendation will be submitted to Full Council for approval on 28 January 2026.

Recommendations

That Cabinet

1. Recommends that Full Council approve continuation of the current Council Tax Support scheme, updated in line with DWP's annual update of allowances and premiums, for 2026/27

and

2. Delegates approval for developing the 2026/27 scheme rules in accordance with recommendation 1. above to the Director of Finance and Section 151 Officer, in consultation with the Portfolio Holder for Finance as appropriate, including prescribed, administrative and minor changes.

Reasons for Recommendations

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

The recommendation has regard to the earlier deliberations of Cabinet, and the outcome of the consultation process for a continuation scheme.

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

Options were considered previously by Cabinet, leading to consultation on a continuation scheme.

1. Background

- 1.1. Local Council Tax Support schemes replaced the former national Council Tax Benefit 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 South Holland 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 2,575 working age claimant households, costing £2.5million (of which £292k is the cost to this Council).
- 1.4 A breakdown of total current caseload and expenditure is shown in the table below.

	Current Caseload Count	2025/26 CTS Expenditure	Cost to South Holland District Council (11.81%)
All Groups	4,951	£5,239,816	£618,822
Pensioner	2,376	£2,767,888	£326,888

Working Age	2,575	£2,471,928	£291,936
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- 1.5 An Exceptional Hardship Fund, administered under discretionary provisions of Section 13A (1) (c) Local Government Finance Act 1992 is in place, operating alongside the Council Tax Support scheme.

2. 2026/27 Scheme Consultation

- 2.1 Cabinet decided at its meeting on 16 September 2025 to consult on continuation of the current Council Tax Support scheme, including uprating in line with DWP's annual updating of allowances and premiums for 2026/27.
- 2.2 In line with statutory requirements, consultation has been carried out with major precepting authorities, and other persons likely to have an interest in the operation of the scheme. The consultation took place between 23 September and 8 November 2025.

- 2.3 Major precepting authorities have been consulted on the proposals.

Lincolnshire Police and Crime Commissioner's response noted the proposal to retain the current scheme for 2026/27, uprated in line with DWP.

Lincolnshire County Council responded that as a major preceptor, it supported the Council's proposal for 2026/27 to retain the current scheme, in line with DWP upratings.

- 2.4 The wider public consultation included publicity through media release, website and social media. A total of 29 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 The survey asked whether respondents agree with the proposal to continue the current CTS scheme, which provides up to 85% support for households with Children and 75% for other households. High level findings are summarised (*note percentages have been rounded*): -

- 61% of the respondents agree that the Council should continue its current scheme for 2026/27.
- 29% did not agree.
These respondents were asked what level of support they feel the council should offer. Responses were mixed, with some supporting maintaining or increasing help for those in need, but also resistance from individuals who feel the system is inequitable or overly generous.
- 11% didn't know if they agreed with the proposal.

General feedback highlights strong support for helping vulnerable groups, including low-income families.

- 2.6 The full consultation report is shown at Appendix A.

3. Conclusion

- 3.1. In making the decision to consult on a continuation scheme for 2026/27, Cabinet had regard to the current economic challenges and recognised the impact a reduction in the scheme would have at this time on working age claimant households. Continuation of the scheme will provide some stability in respect of Council Tax.
- 3.2. Although there was a low response to the consultation, the majority of respondents agreed with the proposal for continuation of the current scheme.
- 3.3. The recommendation for continuation of the current scheme is also consistent with the Council's original intention for the scheme changes made in 2025/26 to be reviewed after the first full year of operation, to consider performance and determine if any further modification is required.

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

Continuation of the current scheme will be factored into the Council's budgets and included in the 2026/27 Budget and Medium-Term Financial Strategy.

Background Papers

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

Chronological History of this Report

None

Report Approval

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