

**Executive Committee
2026**

13th January

Council Tax Support Scheme 2026/27

Relevant Portfolio Holder	Councillor I Woodall
Portfolio Holder Consulted	Yes
Relevant Assistant Director	Debra Goodall Assistant Director Finance and Customer Services
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Wards Affected	All
Ward Councillor(s) consulted	No
Relevant Council Priority	
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Executive Committee RECOMMEND that:-

- 1) The council tax reduction scheme is retained for 2026-27 tax year, subject to uprating of income bands by 3.8% in-line with increases to national benefits as set out in the table at Appendix A.**

2. BACKGROUND

- 2.1 The council is required under section 13A(2) of the Local Government Finance Act 1992 (LGFA '92) to make a council tax reduction (CTR) scheme. The scheme must specify the reductions in council tax available to individuals in financial need, or to defined classes of people considered to be in financial need.
- 2.2 Each tax year, the council must review its CTR scheme and decide whether to revise or replace it. If revisions or replacement are proposed, the council is required to carry out formal consultation before adopting a new scheme.
- 2.3 On 1st April 2021 the council introduced an income-banded scheme for working age applicants. The rationale was to future proof the scheme, reduce administrative burdens and align more closely with universal credit.

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2.4 Since 2022 the council has amended the scheme to:

- adjust support levels in line with available funding
- revise income bands and tapers to reflect inflation; and
- to simplify elements of the scheme to aid administration.

2.5 The current scheme includes a provision to uprate income bands by an inflation factor determined by the council, typically aligned with increases in national welfare benefits.

2.6 Benefit rates for 2027 are set to increase by 3.8% It is recommended that the income bands be raised by the same percentage. Any uprated amount that is not a whole pound will be rounded up to the next whole pound.

3. OPERATIONAL ISSUES

3.1 Retaining the existing scheme and uprating the income bands will have no additional operational implication.

4. FINANCIAL IMPLICATIONS

4.1 Adjusting income bands will affect the level of Council Tax Reduction (CTR) provided to claimants and may increase the overall cost of the scheme.

4.2 Uprating income bands is intended to protect claimants from inflation and ensure that increases in Universal Credit or wages for not remove eligibility for CTR. This adjustment is essential to maintain support for residents in financial need.

5. LEGAL IMPLICATIONS

5.1 Under paragraph 5 of Schedule 1A to the LGFA '92, the council must consider annually whether to revise or replace its CTR scheme. Any revision or replacement requires formal consultation, which must include:

- Consultation with major precepting authorities
- Publication of a draft scheme; and
- Consultation with persons likely to have an interest in the scheme.

5.2 If a revised scheme reduces or removes a reduction, it must include appropriate transitional provisions. The current scheme allows for uprating of income bands by inflation without consultation. However,

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any changes that reduce income bands or discount percentages would constitute a revision and require full consultation and approval by full council.

6. OTHER - IMPLICATIONS

Local Government Reorganisation

6.1 No immediate implications. However, the new authority will need to adopt its own CTR scheme and consider transitional arrangements for current claimants.

Relevant Council Priority

6.2 The administration of the CTR scheme support the council's Economic Development and Housing priorities by assisting vulnerable residents.

Climate Change Implications

6.3 None.

Equalities and Diversity Implications

6.4 A full equalities impact assessment was completed when the income-banded scheme was introduced. Uprating income bands has no further equalities implications.

7. RISK MANAGEMENT

7.1 No new identified risks.

8. APPENDICES and BACKGROUND PAPERS

Appendix A – Income Band Table

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Appendix A – Income Bands 2026/27

Discount Band	Discount	Single Person	Single Person with One Child	Single Person with two or more children	Couple	Couple with one child	Couple with two or more children
Income Band 1	100.00%	£0 to £130	£0 to £203	£0 to £277	£0 to £186	£0 to £260	£0 to £333
Income Band 2	80.00%	£130.01 to £159	£203.01 to £243	£277.01 to £316	£186.01 to £214	£260.01 to £299	£333.01 to £372
Income Band 3	55.00%	£159.01 to £186	£243.01 to £283	£316.01 to £355	£214.01 to £243	£299.01 to £338	£372.01 to £413
Income Band 4	30.00%	£186.01 to £214	£283.01 to £321	£355.01 to £395	£243.01 to £270	£338.01 to £378	£413.01 to £451
Nil Award	0.00%	Over £214	Over £321	Over £395	Over £270	Over £378	Over £451