



<b>Report To:</b>	Overview and Scrutiny Committee
<b>Date:</b>	2 <sup>nd</sup> October 2025
<b>Subject:</b>	Local Council Tax Support Scheme 2026/27 – Consultation
<b>Purpose:</b>	To update Overview and Scrutiny on the local Council Tax Support scheme, and seek views on the proposed options as part of the consultation process for the 2026/27 scheme.
<b>Key Decision:</b>	No
<b>Portfolio Holder:</b>	Councillor Sandeep Ghosh, Portfolio Holder for Finance and Economic Growth
<b>Report Of:</b>	Brendan Arnold, Interim Director of Finance (S151 Officer)
<b>Report Author:</b>	Sharon Hammond, Head of Revenues and Benefits
<b>Ward(s) Affected:</b>	All
<b>Exempt Report:</b>	No

### Summary

Council Tax Support provides financial assistance through a reduction in Council Tax bills for households on a low income or receiving certain benefits.

The Council is required to review its local Council Tax Support scheme each year and consult on its scheme proposals for the forthcoming year. Pension age residents are regulated by national rules in England and are not affected by any changes in this review.

This report provides an update on the current scheme and, having regard to the financial pressures on the council, sets out the options that are being consulted upon for the Boston Borough Council working age Council Tax Support scheme for 2026/27.

## Recommendations

That Overview and Scrutiny Committee provide their views to Cabinet on the 2026/27 Council Tax Support scheme options

## Reasons for Recommendations

To help inform the Council Tax Support scheme for 2026/27, as part of the consultation process.

## Other Options Considered

None.

### 1. Background

- 1.1. This report updates Members on the performance of the Current Council Tax Support (CTS) scheme and provides details of the options being consulted on for 2026/27.
- 1.2. The scheme for pensioners continues to be prescribed by Government and allows up to 100% support against Council Tax liability. The Council has no power to change the level of support for pensioners. This annual review, and consultation, relates only to Working Age claimants.
- 1.3. Boston's current scheme provides for a maximum of 100% support for households with children and 75% for other households.
- 1.4. Since its introduction in 2013 some changes have been made, including restriction to Band D Council Tax liability, and the introduction of a class for Care Leavers. As part of the fundamental review carried out last year, the level of support for working age claimants was increased, and the council also made changes to other elements of the scheme including standardising the non-dependant deduction rate, introducing a minimum weekly level of support, and reducing the upper capital limit.

### 2. 2025/26 Current Scheme Expenditure and Caseload

- 2.1 For the current year it is estimated that £4.9m in Council Tax Support will be granted under the current scheme for both pension age (£2.3m) and working age (£2.6m).

	Total Claims	2025/26 CTS Expenditure
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		£
<b>All Groups</b>	<b>4,542</b>	<b>4,927,879</b>
Elderly	1,974	2,291,080
Working Age	2,568	2,636,799

- 2.2 This council meets around 13% of the cost of the scheme, (£656m) with the remainder being met by precepting authorities, Lincolnshire County Council and Lincolnshire Police and Crime Commissioner. The cost of Council Tax Support is shared across major preceptors as part of the collection fund accounting process:

<b>CTS 2025/26</b>	<b>BBC</b>	<b>LCC</b>	<b>PCC</b>
£4,927,879	£655,901	£3,558,914	£713,064
	13.31%	72.22%	14.47%

### 3. Establishing a Council Tax Support scheme for 2026/27

- 3.1 For each financial year, the billing authority must consider whether to revise its scheme or replace it with another scheme. Council Tax Support schemes cannot be changed mid-year.
- 3.2 The Local Government Finance Act requires that before a scheme can be adopted by the billing authority, it must: -
- Consult any major precepting authority which has power to issue a precept to it,
  - Publish a draft scheme in such manner as it thinks fit, and
  - Consult such other persons as it considers are likely to have an interest in the operation of the scheme.

### 4. 2026/27 Scheme Options for Consultation

- 4.1 Boston BC faces considerable challenges to produce a balanced budget for 2026/27, and work is underway to identify how the level of saving required can be achieved.
- 4.2 Whilst the intention was to review the new CTS scheme after it had been in operation for a full financial year, a review of the level of support offered through this scheme is now brought forward for consideration as part of the council's wider range of savings proposals. Council tax support schemes must be affordable.
- 4.3 At its meeting on 17<sup>th</sup> September, Cabinet decided to consult on the following options: -

**Option 1.** To retain the current maximum level of support for Households with Children 100% and Other Households 85% and find savings elsewhere.

**Option 2.** To reduce the maximum level of support to households with lone parents to 90%, for households with couples and children 80% and all other households 75%. The potential saving for BBC would be £45k. The average increase in Council Tax payable by affected households would be around £2.50 per week (£132 per year).

**Option 3.** To reduce the maximum level of support to households with lone parents to 90%, for households with couples and children 80% and all other households 70%.

The potential saving for BBC would be £57k. The average increase in Council Tax payable by affected households would be around £3.20 per week (£167 per year).

- 4.6 Whilst any reduction in support will contribute to the council's overall budget position, this decision will place a further requirement on low income / benefit households to pay a higher percentage of their Council Tax liability. As a result, higher levels of non-payment and escalation of debt may be expected, in turn increasing the requirement for bad debt provision.

## **5. Conclusion**

- 5.1. The need for Boston to reach a balanced budget for 2026/27 means that all areas of expenditure need to be explored. By consulting on these options, Cabinet will be able to make an informed final recommendation to Full Council in respect of the scheme for 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.

### **Data Protection**

None

### **Financial**

There are no direct financial implications as a result of this report. Following consultation, Cabinet will consider all feedback to help inform its final scheme recommendation to Full Council.

During the autumn of 2025 the Council will be considering how to balance the 2026/27 Budget and will be considering in due course a range of proposals in order to achieve this.

Some of the options described in this report are capable of contributing savings should this be required, but only after a broader review of budget options has been considered.

## **Risk Management**

None

## **Stakeholder / Consultation / Timescales**

Consultation is being carried out with major preceptors and other interested parties.

## **Reputation**

In 2024/25 BBC decided to increase the maximum level of support available under its Council Tax scheme with the intention for the next review in 2026/27 with any changes to be implemented in 2027/28.

The financial circumstances faced by the council has meant a review of the scheme costs is needed sooner than anticipated.

As a result, this may reflect on the reputation of the council.

## **Contracts**

None

## **Crime and Disorder**

None

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

The Council Tax Support scheme continues to be delivered on the basis of the DWP's previous means tested Council Tax Benefit scheme regarding protection for vulnerable groups, including children and the disabled. The options for consultation do not change this approach.

## **Health and Wellbeing**

None

## **Climate Change and Environmental Implications**

None

## **Acronyms**

CTS – Council Tax Support

UC – Universal Credit

DWP – Department for Work and Pensions

## **Appendices**

Appendix 1                      Consultation Survey

## **Background Papers**

None

## **Chronological History of this Report**

A report on this item has not been previously considered by a Council body.

## **Report Approval**

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