



Report To:	Cabinet
Date:	10 th December 2025
Subject:	Local Council Tax Support Scheme 2026/27
Purpose:	To determine the Council Tax Support scheme, 2026/27
Key Decision:	No
Portfolio Holder:	Councillor Sandeep Ghosh, Portfolio Holder for Finance and Economic Growth
Report Of:	Russell Stone, Director of Finance (S151 Officer)
Report Author:	Sharon Hammond, Head of Revenues and Benefits (PSPSL)
Ward(s) Affected:	All
Exempt Report:	No

Summary

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

Cabinet's recommendation will be submitted to Full Council for approval on 12 January 2026.

Recommendations

That Cabinet:-

1. Recommends that Full Council approves a change to the maximum level of support to 90% for lone parents, 80% for couples with children and 75% for all other households with the scheme uprated 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 relation to the 2026/27 financial year.

The recommendation has regard to the earlier deliberations of Cabinet in respect of the council's financial position balanced with the need to support customers, 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

- Keep maximum support for households with children at 100% and others at 85%, seeking savings elsewhere.
- Set maximum support at 90% for lone parents, 80% for couples with children, and 70% for other households, with annual up-rating in line with DWP allowances for 2026/27.

Both options were consulted but rejected in favour of the recommended option which will help balance council finances while minimising changes in the level of support.

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 Boston Borough Council's scheme provides a maximum level of support for working age claimants up to 100% for households with children and 85% for other households. The working age scheme currently supports 2,445 working age claimant households, costing £2.6million (of which £348k is the cost to this Council). It should be noted that caseload and expenditure will fluctuate throughout the year.

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 Boston Borough Council (13.31%)
All Groups	4,421	4,930,060	£656,191
Pensioner	1,976	2,312,079	£307,738
Working Age	2,445	2,617,981	£348,453

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 Cabinet decided at its meeting on 17 September 2025 to consult on three options: -

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

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 90% for lone parents, 80% for couples with children and 75% for all other households**

This option would reduce overall scheme expenditure by around £338k, generating a saving of around £45k for this Council. This would reduce the level of support, and therefore increase Council Tax payment requirement, for all working age claimants.

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

This option would reduce overall scheme expenditure by around £429k, generating a saving of around £57k 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 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 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 an option 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 options 2 and 3 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, and this year the consultation was shared with Parish Councils. 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 65 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 100% and other households at 85%,and find savings elsewhere.	35%
Option 2 Reduce the maximum level of support to 90% for lone parents, 80% for couples with children and 75% for all other households.	18%
Option 3 Reduce the maximum level of support to 90% for lone parents, 80% for couples with children and 70% for all other households.	25%

The survey included a 'None of the above' option, drawing a 22% response rate.

Free text commentary indicates respondents are divided, with some contributors emphasising the need for greater support for vulnerable groups, while others express concern about fairness, the impact on working families, and the potential disincentive to work.

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 increased its level of support for all recipient households, increasing the maximum level of support for households with children up to 100% and for all other households 85%. In reaching its decision, the Council had regard to information and data including: -

- 30% of children in Boston live in relative low-income households (*source DWP*)
- 727 of the 1,109 working age households with children were receiving the maximum level of support (at that time 75%).
- The percentage of households with children who had previous year Council Tax arrears was greater than other households, at 40% single parent, and 32% couples with children.

- 3.2 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.
- 3.3 While acknowledging the importance of Council Tax Support for some households, Cabinet 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.
- 3.4 Whilst the results to the consultation were mixed, almost 35% supported retaining the current level of support, whereas in totality almost 43% supported a reduction in the level of support.
- 3.5 Reducing support to the levels consulted upon would reduce the total scheme cost by the amounts shown in the table below: -

	Reduction in support – Option 2	Reduction in support – Option 3
Single Parent Household	-£85k	-£85k
Couple Household with Children	-£66k	-£66k
Other Household	-£181k	-£270k
TOTAL	-£332k	-£421k
<i>Saving for BBC (13.31%)</i>	<i>£44k</i>	<i>£56k</i>
<i>Saving for LCC (72.22%)</i>	<i>£240k</i>	<i>£304k</i>
<i>Saving for PCC (14.47%)</i>	<i>£48k</i>	<i>£61k</i>

The annual and weekly impact on households is shown in the following table for each option: -

Average Reduction In Council Tax Support				
	Option 2		Option 3	
	Annual	Weekly	Annual	Weekly
Single Parent Households	-£110	-£2	-£110	-£2
Couple Household with Children	-£271	-£5	-£271	-£5
Other Households	-£118	-£2	-£176	-£3

- 3.6 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.

- 3.7 However the Council must have regard to its financial position and reaching a balanced budget; and this includes affordability of its Council Tax Support scheme.
- 3.8 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 Boston's share being around 13%, any discretionary award would be at 100% cost to this Council.

4. Conclusion

- 4.1 The options to reduce the level of support were consulted on not as preferred options, 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 In making its recommendation to Full Council, Cabinet has had regard to the Council's current financial position and affordability of its Council Tax scheme, at the same time as considering the impact and effect that a reduction in the level of support could have on households across the district.

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 Cabinet approve the recommendation set out in this report, the savings, realised through a reduction in support to working age claimants of the Council Tax Support scheme, will support the Councils legal requirement to deliver a balanced budget.

Risk Management

None

Stakeholder / Consultation / Timescales

The Section151 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.

An Equality Impact Assessment conducted for the proposed changes to the Council Tax Support (CTS) Scheme for 2026-27 has considered the potential effects on protected groups, and concludes that the changes do not target, or disadvantage, any characteristic group over another. The availability of an exceptional hardship fund, and practice of signposting claimants to professional advocacy services, will ensure the Council Tax Support Scheme changes can be implemented in a manner that upholds the Council's commitment to equality.

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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