Report To:	Overview and Scrutiny
Date:	16th July 2026
Subject:	Local Council Tax Support Scheme 2027/28 – Consultation
Purpose:	To provide an update on the local Council Tax Support Scheme and invite feedback as part of the consultation process for the 2027/28 scheme.
Key Decision:	No
Portfolio Holder:	Councillor Sandeep Ghosh, Portfolio Holder for Finance and Economic Growth
Report Of:	Russell Stone, Executive Director - Finance (Section 151 Officer)
Report Author:	Sharon Hammond, Head of Revenues and Benefits
Ward(s) Affected:	All
Exempt Report:	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 scheme each year and consult on its 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 the proposal for 2027/28.

Recommendations

1. That the content of the report is noted, and

2. That Members consider the proposal to retain the current Council Tax Support scheme for 2027/28 updated in line with DWP upratings and provide feedback to Cabinet as part of the consultation process.

Reasons for Recommendations

To ensure that Members are aware of the current scheme performance, and to provide an opportunity for this Committee to provide feedback to Cabinet, as part of the consultation process.

Other Options Considered

Do nothing.

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. Claimants who have reached state pension age are protected by prescribed regulations, allowing up to 100% support against Council Tax liability. The council has no power to change the level of support for pensioners.

1.3. This annual review relates only to Working Age claimants.

1.4 After a fundamental review in 2024/25, scheme changes took effect from April 2025, with further support adjustments in April 2026. The current scheme offers up to 90% support for lone parent households, 80% for couples with children, and 75% for other households. The scheme balances affordability and acknowledges ongoing living costs.

2. 2026/27 Current Situation

2.1 We currently have 4,445 council tax support claimants, of which 1,923 (43%) are pensioners and 2,522 (57%) are working age claimants. The table below provides a view of the split between Pension age and Working age claimant groups.

	Total Claims	2026/27 CTS Expenditure £
All Groups	**4,445**	**4,771,908**
Pensioner	1,923	2,330,304
Working Age – Lone parent	720	749,042
Working Age – Couple with children	217	257,684
Working Age - Other	1,585	1,434,879

2.2 The recent estimate for the cost of the current 2026/27 scheme is £4,771,908 with costs being shared across major precepting authorities, split as follows: -

CTS 2026/27	BBC – 13.11%	LCC – 72.46%	PCC – 14.43%
£4,771,908	£625,597	£3,457,725	£688,586

3. Establishing a Council Tax Support scheme for 2027/28

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 with major precepting authorities, and with such other persons as it considers are likely to have an interest in the operation of the scheme.

3.3 The process and decision-making timeline for the 2027/28 CTS scheme is shown in the following table.

Process	Decision-Maker	Date
Consultation Decision	Cabinet	24 June 2026
Consultation Period		July - October 2026
Scrutiny	Overview and Scrutiny	16 July 2026
Report back to Cabinet, for final scheme recommendation	Cabinet	25 November 2026
Scheme Approval	Full Council	07 December 2026

4. Local Government Reorganisation (LGR)

4.1 When planning the scheme for 2027/28, it is essential to consider the government’s Local Government Reorganisation (LGR) plans, which will result in the restructuring of Boston Borough Council. This restructuring will necessitate the introduction of a new unified Council Tax Support scheme within the forthcoming years. Consequently, implementing substantial changes at this stage which may then go on to be changed again will potentially cause confusion or difficulties for Council Tax Support claimants as they adjust to revised eligibility criteria.

4.2 While there are certain distinctions regarding levels of support and specific parameters, a comparison of current Lincolnshire schemes indicates that each maintains the same fundamental ‘default’ means-tested approach.

5. 2027/28 Scheme Consultation

5.1 At its meeting on 24 June, Cabinet agreed to consult on its proposal to retain the current scheme, providing a maximum level of support for lone parents 90%, for households with couples and children 80% and all other households 75%, updated in line with DWP upratings for 2027/28.

No other changes to be made, apart from legislative requirements, updating in line with the DWP's annual up-ratings and to apply any additional changes to mirror government welfare benefit regulations which are intended to increase the income of benefit recipients to avoid unintended consequences to customers.

5.2 In reaching its decision Cabinet considered that the current scheme continues to align with its objectives from the previous comprehensive scheme review and will provide continuity for Council Tax Support claimants, is affordable, and ensures that scheme rules remain consistent with DWP which avoids confusion for claimants.

5.3 Cabinet also recognised that future LGR reforms will establish a single scheme within the next few years.

6. Conclusion

6.1 This report outlines the current Council Tax Scheme and performance, and the proposal to retain the scheme for 2027/28, updated in line with DWP upratings, providing continuity for claimants and remaining financially viable for the borough.

6.2 Under LGR, a new single scheme will be developed in the next few years, therefore retaining the current scheme will provide some stability for claimants in the meantime.

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, which is seeking approval to consult. Following consultation, a further report will be considered by Cabinet for a final scheme recommendation to Full Council.

Risk Management

None

Stakeholder / Consultation / Timescales

A consultation exercise with major preceptors and other interested parties is being carried out, closing 30 September.

In line with the principles of consultation, the responses will be provided to Cabinet for consideration at a later meeting, helping to inform its recommendation for the 2027/28 scheme to Full Council.

Reputation

None

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 option for consultation does not change this approach.

Health and Wellbeing

None

Climate Change and Environmental Implications

None

Acronyms

CTS – Council Tax Support
DWP – Department for Work and Pensions
LGR – Local Government Reorganisation

Appendices

None

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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Approved for publication:	Councillor Sandeep Ghosh, Portfolio Holder for Finance and Economic Growth