

68. Localised Council Tax Support Scheme 2025/26

Purpose of Report

1. To provide information regarding the outcome of consultation regarding 2025/26 Council Tax Support Scheme (CTS) options.
2. To propose a recommended option for a Council Tax Support Scheme for the 2025/26 financial year, which must be approved by Council before 31st January 2025.

Decision

- (1) That the content of the report, taking into consideration the responses received as part of the consultation be noted.
- (2) That a 'no change' to the core Council Tax Support scheme for 2025/26, as set out in Section 4 of the officer's report, subject to the technical amendments described in paragraph 5.3 be approved.
- (3) An Exceptional Hardship Fund of £25,000 to be available, for the financial year 2025/26, be approved.

Alternative Options Considered and Rejected

While the Policy Scrutiny Committee and major preceptors supported the implementation of a banded scheme, a key factor (that was unconfirmed at the time the options were proposed) was whether the Council's software supplier, could accommodate the changes being proposed within the timescales required. While the software supplier had developed a banded scheme module for the Council, due to the later than anticipated timescale at which this module was first made available for testing – and the considerable work identified as still being required to deliver a robust banded scheme option for 2025/26, - the Council was not in a position to be sufficiently satisfied to recommend a banded scheme for implementation in 2025/26. However, work would continue in coming months so this may become a potential option for consultation in respect of a 2026/27 Council Tax Support scheme.

Reasons for the Decision

The council tax benefits system had been abolished by the government on 31 March 2013 and replaced by the Council Tax Support Scheme, which could be determined locally by the City of Lincoln Council, as the billing authority, after consultation with precepting authorities, key stakeholders and residents.

As at 31 October 2024, there were 8,119 residents claiming Council Tax Support in Lincoln, with 2,515 of these as pensioners protected under the legislation and receiving Council Tax Support, as prescribed by the Government, broadly similar to the level of Council Tax Benefit.

It was the 5,604 working age (including those classified as 'vulnerable' for CTS purposes) claimants, where a local scheme could be determined which could change the level of support provided. The split of the 5,604 working age CTS recipients was 3,399 working age (vulnerable) and 2,205 working age (not vulnerable)

The initial City of Lincoln CTS Scheme from 2013/14 effectively 'protected' working age Council Tax Payers seeking support, retaining eligible entitlement of up to 100% and not restricting other areas of entitlement calculation. However, in recent years the scheme had changed in light of increasing scheme costs and budget pressures.

Unless a decision was made by Council to apply scheme changes to vulnerable working-age claimants, the localised CTS scheme would historically only be applied to non-vulnerable working age claimants.