



**REPORT of
DIRECTOR OF FINANCE**

**to
STRATEGY AND RESOURCES COMMITTEE
29 JANUARY 2026**

COUNCIL TAX SUPPORT SCHEME 2026 / 27

1. PURPOSE OF THE REPORT

- 1.1 To approve a significantly unchanged Local Council Tax Support Scheme (LCTS) and associated policies for 2026/ 27, with minor technical amendments as set out at section 2 (a) to (b) below.

2. RECOMMENDATIONS

To the Council:

- (i) That the following changes to the existing schemes are approved:
 - a. a cost of living increase in line with the Department for Work and Pensions schemes be included in the Local Council Tax Support Scheme for 2026 / 27 for Pensioners only;
 - b. that any legislative changes being introduced to the Housing Benefit Scheme, for 2026 / 27 are mirrored in the Council's LCTS to ensure consistency;
- (ii) that these decisions have been made following Members careful reading of and regard to the Equality Impact Assessment at **APPENDIX 1**;
- (iii) that Members note the largely unchanged framework for the Hardship Provision at **APPENDIX 2**;
- (iv) that the Policy document at **APPENDIX 3** be approved.

3. SUMMARY OF KEY ISSUES

- 3.1 Section 13A of the Local Government Finance Act 1992 grants Local Authorities the power to reduce a person's Council Tax Liability in exceptional circumstances or cases of hardship. Policies which set out how requests for any reductions are to be dealt with ensure transparency and consistency in the application of this discretion.
- 3.2 Following the abolition of the National Council Tax Benefit Scheme in 2013 a replacement LCTS scheme was approved under the provisions of Section 13A1a on 13 December 2012. (Minute No. 688 refers). A substantially unchanged scheme was approved for the subsequent years up to and including 2025/26.

3.3 The current LCTS scheme reflects the Council's decision to deliver a long-term sustainable Scheme based on cost neutral principles, and it proposed that minimal changes be introduced to the Scheme to ensure that it reflects national legislative changes and recognising that a new scheme will, in due course, be required as part of Local Government Reorganisation work program.

3.4 The Government will continue to specify how pensioner claims are to be assessed. Pensioner claims will continue to be calculated in accordance with The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (as amended), referred to in this scheme at 1.3 – 1.7. The 2026 regulations are unavailable, at the time of writing this report but will be made in January and referenced within the appended scheme document as soon as practical.

3.5 **Scheme Costs and impact on Council Tax Collection**

3.5.1 The net cost of the LCTS for 2025 / 26 to date is being largely contained within the collection fund. The consequences of further welfare reform and the continuing impact on collection rates of cost of living rises may adversely affect this but based upon current projections the proposed LCTS scheme remains sustainable for 2026 / 27.

3.5.2 Additional support and advice continue to be provided to customers who have difficulty in paying, including independent budgeting and financial advice provided by Maldon Citizens Advice.

3.6 **Discretionary reduction Provision**

3.6.1 The Council's Discretionary S13a1c policy sets out how applications for discretionary reductions will be dealt with. Subject to the continuation of funding from Essex County Council (ECC), it is proposed that the Council continues to operate hardship and carers schemes for 2026 / 27. Members are asked to note the policy framework for the administration of these reductions at **APPENDIX 2**.

4. **CONCLUSION**

4.1 The significantly unchanged scheme supports the delivery of a largely cost neutral LCTS Scheme within the budget proposed for 2026 / 27.

4.2 A framework through which to administer discretionary Hardship awards to LCTS recipients ensures transparency and a consistent approach.

4.3 An Equality Impact Assessment has been undertaken showing no significant issues with the proposed documents.

5. **IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028**

5.1 **Supporting our communities**

5.1.1 A LCTS provides a framework for the delivery of good quality services to our communities. It helps ensure that the service can be targeted, reduce inequalities and comply with statutory obligations.

5.2 Delivering good quality services

- 5.2.1 A LCTS provides a framework for sustainable expenditure and facilitates compliance with statutory obligations.

6. IMPLICATIONS

- (i) **Impact on Customers** – 3,026 residents are currently entitled to LCTS which is a small decrease from 3,085 in the previous year. Help and advice is being provided by the Council and its partners to support customers.
- (i) **Impact on Equalities** – An Equalities Impact Assessment of the LCTS scheme has been undertaken. Members are asked to carefully consider the content of the assessment as part of their decision to approve the proposed LCTS for 2026 / 27.
- (ii) **Impact on Risk (including Fraud implications)** – The proposed scheme is expected to continue to deliver a cost neutral scheme. The cumulative effects of various welfare reforms continue to have an effect both upon Council Tax collection and the number of customers with housing issues. The impacts of this and the risk of fraud are being monitored.
- (iii) **Impact on Resources (financial)** – The cost of the proposed scheme is largely within budget. The expenditure on the scheme is monitored on a monthly basis, and any significant variations will be reported to Members.
- (iv) **Impact on Resources (human)** – The proposed LCTS scheme can be delivered within existing staffing resources.
- (v) **Impact on Devolution / Local Government Reorganisation** – This policy is specific to Maldon District Council. It is anticipated that a single scheme will be required at the vesting date of any new Unitary Council.

Background Papers: None

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