

Report to Council

Subject Council Tax Reduction Scheme 2026/27

Date 21st January 2026

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Purpose

The purpose of this report is to seek approval for the Council Tax Reduction Scheme for 2026/27.

Recommendation(s)

THAT:

- 1) Council approves the Council Tax Reduction Scheme 2026/27 for adoption from 1st April 2026.
- 2) Council approves the Council Tax Reduction Scheme in relation to working aged claimants with no changes except for the annual uprating and amendments to allowances and premiums in line with the Housing Benefit levels published by the Department for Work and Pensions.
- 3) Council approves the Council Tax Reduction Scheme in relation to pension aged claimants with no changes except for those statutory changes anticipated by the annual amendments to The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012.

1 Background

- 1.1 The Council Tax Reduction Scheme (CTRS) provides financial assistance to residents on low incomes by reducing their council tax liability.

- 1.2 The current system requiring billing authorities to adopt their own schemes locally, replaced the national council tax benefits system in April 2013.
- 1.3 The Council must make any revision to its scheme, or any replacement scheme, no later than 11th March in the financial year preceding that for which the revision or replacement scheme is to have effect.
- 1.4 The Council currently operates a means tested CTRS aligned closely with the principles of the former national council tax benefits system which includes:
 - Support for working age claimants based on income and household circumstances up to 100%
 - Support for pension age claimants in-line with protections mandated by regulation.
- 1.5 In relation to working aged people, the Council has the discretion to run any scheme it deems appropriate whilst considering the interests of potential claimants of CTRS as well as the persons subject to its council tax.
- 1.6 Any alteration to the CTRS can only be made to the entitlement of working aged claimants and cannot affect pension age claimants.
- 1.7 In total the Council's CTRS discounts around £8m of council tax liability. The cost of this is shared amongst precepting authorities meaning that Gedling Borough Council funds around £627k of the total CTRS.
- 1.8 This also means that any reduction or increase made to the CTRS is shared among the precepting authorities accordingly.
- 1.9 To ascertain the impact of any alterations to the levels of CTRS awarded, modelling has been undertaken on various types of schemes following discussion with the Council's Senior Leadership Team (SLT).
- 1.10 The options modelled included introducing an upper limit on the amount of CTRS awarded, altering the non-dependent contribution values and introducing a band related cap to the amount of CTRS which can be awarded.
- 1.11 Assessments balanced the financial impacts, both in terms of the impact to claimants and the potential savings to the Council, of any such alterations to the scheme, as well as considering the number of claimants who would potentially be affected by the modelled changes.

- 1.12 It is considered that although some of the modelled alterations to the CTRS might yield a modest financial benefit to the Council, the financial impact to claimants and the social benefit impacts coupled with the potentially increased costs of collection, do not support a case for change in the CTRS currently.
- 1.13 It is recognised that other Councils in Nottinghamshire have different approaches to their own schemes, however, as the outcomes of Local Government Reorganisation are not yet known, it is anticipated that all schemes will need to be reviewed and consolidated as part of the new unitary Council.

2 Proposal

- 2.1 It is proposed that the Council Tax Reduction Scheme continues unchanged except for the annual uprating and amendments to allowances and premiums in line with the Housing Benefit levels.

3 Alternative Options

- 3.1 Four alternative options to the proposal of this report have been modelled and are described below:
- 3.2 **Percentage Caps** - This is an option which limits the overall amount of CTRS awarded regardless of the outcome of a means assessment. This could be limited at 90% award or 80% award for example. The Council currently has no limit to the award value and offers CTRS up to 100%.
- 3.3 **Non-Dependent Deduction** - This is an option to vary the weekly amount of contribution required to be paid by a non-dependent living in the same house as a CTRS claimant. The amount of £7.50 is currently deducted from the claimant's weekly CTRS award for each non-dependent living in the same household. The non-dependent deduction could be changed to any value.
- 3.4 **Council Tax Band Caps** - This is an option where the 100% CTRS awarded is limited to the value of the council tax payable for a property in a certain band. For example, the cap might be set at council tax band B meaning that if a claimant lived in a band C property and claimed full CTRS, they would be paid CTRS up to the council tax value of a band B property and must pay the remaining difference in charge between band B and band C. The Council currently has no banded limit to the CTRS.

- 3.5 **Minimum Award Limit** - This is the introduction of a minimum weekly award. For example, if the weekly minimum was set at £5 and a claimant's means assessed CTRS entitlement was £4.95 per week, they would receive no CTRS payment. The Council currently has no minimum award value.
- 3.6 The financial impact models of the various alternative options which have been assessed are attached at Appendix 1.

4 Financial Implications

- 4.1 The Council's CTRS discounts around £8m of council tax liability. The cost of this is shared amongst precepting authorities meaning that Gedling Borough Council funds around £627k of the total.
- 4.2 The Council's medium-term financial plan assumes the continuation of the CTRS without revision and does not anticipate any savings yielded from a change to the scheme.

5 Legal Implications

- 5.1 Paragraph 5 of Schedule 1A to the Local Government Finance Act 1992 requires the Council to review its scheme annually and consider whether to revise its scheme or to replace it with another scheme.
- 5.2 The Council must make any revision to its scheme, or any replacement scheme, no later than 11th March in the financial year preceding that for which the revision or replacement scheme is to have effect.

6 Equalities Implications

- 6.1 An equalities impact assessment has been carried out and is attached to this report at Appendix 2.

7 Carbon Reduction/Environmental Sustainability Implications

- 7.1 It is not considered that the proposals in this report will have any positive, or negative impact on the Council's carbon reduction goals nor any wider implications on environmental sustainability.

8 Appendices

- 8.1 Appendix 1 – Financial Impact Model of Alternative Options
- 8.2 Appendix 2 - Equalities Impact Assessment
- 8.3 Appendix 3 -

9 Background Papers

- 9.1 [Council Tax Reduction Scheme 2025/26](#)

Statutory Officer approval

Approved by: Tina Adams
Date: 07/01/2026
On behalf of the Chief Financial Officer

Approved by: Francesca Whyley
Date: 07/01/2026
On behalf of the Monitoring Officer