

Report Title:	Council Tax Support Scheme 2026/27		
Report to:	Council	Date:	4 th March 2026
Report of:	Director of Resources	Cabinet Portfolio:	Resources
Cabinet Lead Member:	Councillor Walmsley	Wards Affected:	All
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	<input type="checkbox"/> General Exception	<input type="checkbox"/> Special Urgency
Integrated Impact Assessment:	Required:	No	Attached: No
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Valley Plan Priorities	Thriving Local Economy: This involves securing new inward investment, creating a sustainable economy, matching local skills with future job opportunities, and supporting town centres as unique destinations.	<input type="checkbox"/>
	High Quality Environment: This includes having a "clean and green" local environment, reducing the borough's carbon footprint, improving waste and recycling rates, and delivering new homes with a good mix of housing tenures.	<input type="checkbox"/>
	Healthy & Proud Communities: This priority focuses on improving the health and physical/mental wellbeing of residents, reducing health inequalities, ensuring access to better leisure facilities and health services, and fostering a sense of pride in the community.	<input type="checkbox"/>
	Effective & Efficient Council: The aim is to provide good quality and responsive services, embrace new technology, be a financially sustainable council with a commercial outlook, and ensure sound governance.	<input checked="" type="checkbox"/>

1. PURPOSE OF THE REPORT AND EXECUTIVE SUMMARY

- 1.1 The report is intended to set out the basis and costs for the 2026/27 Council Tax Support scheme.
- 1.2 The Local Council Tax Support Scheme is subject to annual approval, by full Council.
- 1.3 The Local Government Finance Bill states that an Authority 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 If Rossendale did not pass a local scheme by the 11th March, then a default scheme would come into force, this would result in up to 100% relief for all working age customers, rather than the current 80%, the additional relief would have to be funded by Rossendale.
- 1.5 Therefore it is proposed that the existing scheme of Council Tax Support be retained unchanged, except for
 - Upgrades to benefit entitlements, and
 - Prescribed changes introduced by Government in The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2026
- 1.6 Adoption of the scheme by full Council before 11th March will meet the Councils statutory duty.

2. RECOMMENDATION

- 2.1 That Council approve the Rossendale Local Council Tax Support Scheme for 2026/27 as set out in this report.

3. BACKGROUND AND REASON FOR THE DECISION

- 3.1 The national Council Tax Benefit scheme ended in March 2013 and was replaced by local schemes of Council Tax Support from the 1st April 2013. Individual authorities were granted the freedom to design and implement their own local schemes, with the exception that any local scheme could not leave any pension age claimants worse off than under the previous national benefit regulations.

The effect of these changes was a reduction in funding by approximately 20% for working age claimants and after consultation Rossendale adopted a local scheme, based on the previous Council Tax Benefit regulations, but with a 20% reduction in entitlement for working age customers.

The decision to continue with a Council Tax Support scheme based on the Housing Benefit / Council Tax Benefit regulations ensures that in practice the scheme remains effectively a means tested benefit.

- 3.2 The rollout of DWP's Universal Credit in Rossendale began on the 21st November 2018. In April 2024 the DWP announced a significant scaling up of the UC managed migration programme. Around 40% of the current Council Tax Support Claimants are pensioner households. Government has given an indication that pensioner households will be moved from legacy benefits, but no firm timetable is yet in place. The DWP intends to begin a limited pilot scheme for new customer in Autumn 2026. The other 60% who are not pensioner households have almost all transferred over to Universal Credit. A small number of working age claimants (approximately 80) who live in temporary or supported accommodation remain within the scope of Housing Benefit.

- 3.3 As Housing benefit is reduced, the case for a Council Tax support scheme based on Housing Benefit becomes less clear.

A number of authorities have begun to move away from Housing Benefit linked systems, although these remain in the minority nationally (around 20% of authorities). Any new scheme would need to be effective in both supporting vulnerable customers and protecting the council's financial position. A significant amount of resource would be required to be able to model and create a new Rossendale scheme.

- 3.4 It is not clear that there is any conclusive case for such a change at the present time, particularly if the result was to maintain similar levels of support for customers as exist under the current system. Additionally, Local Government Reorganisation means that a combined scheme will have to be adopted post-2028. Unless an obvious issue is identified within the existing scheme, there is no case for minor local changes currently.

- 3.5 The number of Council Tax Support claims changes daily, a snapshot taken of the January caseload is detailed below. There were 32,938 domestic properties in Rossendale. Of these 523 were exempt from Council Tax, 137 2nd homes and 914 classed as vacant. This leaves 31,364 occupied and with a liability to pay Council Tax. 14.6% of these properties have residents with an entitlement to Council Tax Support.

Council Tax Support caseload has been consistently falling for several years. In the last 5 years caseload has fallen by 926.

Council Tax Support Caseload	2nd Adult Rebate Claims	2nd Adult Rebate (UC) Claims	Council Tax Support	Council Support (Universal Credit)	Total Claims (Pensioner, Working Age, Working Age Other)	Total Claims (Pensioner, All Working Age)
Pensioner Claims	12	0	1824	0	1836	1836
Working Age (employed) claims	1	0	17	135	153	2733
Working Age (other) claims	12	2	62	2504	2580	
Total Claims By Type (2AR, CTS, CTS UC)	25	2	1903	2639	4569	4569

3.6 The cost of claims for 2024/25 is detailed in the table below. As at the 1st January 2025, total Council Tax Support for 2024/25 was £4,882,658.84. The Council Tax Support scheme results in a loss of income from Council Tax collection. This year's the Rossendale share is 13.35% which equates to £651,990.72. There is no specific grant which covers Council Tax Support, which had been the case under the former Council Tax Benefit arrangements. The costs are therefore borne locally.

This snapshot shows that local costs have risen by £18k (670k as against £652k last year). It should be stressed that these are snapshot figures that can change with new claims or claims closed each day.

	Total Claims (Pensioner, Working Age, Working Age)	Total Claims (Pensioner, All Working Age)	Total Claims (All CTS)	Rossendale Council Share (13.35%)
Pensioner Claims	£2,385,118.54	£2,385,118.54	£5,108,523.54	£670,406.92
Working Age (employed) claims	£87,001.08	£2,723,405.00		
Working Age (other) claims	£2,636,403.92			

3.7 There are no locally determined changes to the Rossendale scheme proposed for the current year. Nationally inflationary uprating to benefit entitlement levels and thresholds will be applied to the local scheme

3.8 Government has prescribed changes to be included within local schemes to reflect changes already applicable to the wider benefits system:

- adding a new disregard so that any payments made through the Armed Forces Lesbian, Gay, Bisexual and Transgender Veterans Financial Recognition Scheme does not affect entitlement to a reduction;
- adding a new disregard so that Miscarriage of Justice Compensation payments administered by Ministry of Justice do not affect entitlement to a reduction; and
- adding a new disregard so that Adult Disability Allowance payments made under Scottish Adult Disability Living Allowance Regulations 2025 do not affect entitlement to a reduction where a recipient receives them for a transitional period after moving to England from Scotland.

The Regulations also includes two measures to make it easier for persons to receive a council tax reduction where they are in a country or territory in respect of which the Government advised British nationals to leave, or arranged evacuation:

- Removing, for up to 6 months from the date of the advice or evacuation, the requirement for both working age and pension age claimants to be habitually resident in Great Britain before a reduction can be claimed; and
- allowing a pension age person who normally resides in Great Britain to receive support if they are temporarily absent from home for up to 26 weeks

All these changes are statutory and do not reflect a change in local policy.

4. RISK

- 4.1 The Local Government Finance Bill states that an Authority 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.
- 4.2 If Rossendale did not pass a local scheme by the 11th March, then a default scheme would come into force, this would result in up to 100% relief for all working age customers, rather than the current 80%. The additional relief would have to be funded by Rossendale.

5. SECTION 151 OFFICER COMMENTS (FINANCE)

- 5.1 The budget assumes the continuation of the existing LCTS scheme, which is based on the 20% reduction in support levels. As such, maintaining the existing scheme will have no impact on the Council's financial finances.

6. MONITORING OFFICER COMMENTS (LEGAL)

- 6.1 Under the Local Government Finance Act 2012, it is the duty of the Council to have localised Council Tax Support, in the form of a council tax reduction, each year.

7. INTEGRATED IMPACT ASSESSMENT IMPLICATIONS

- 7.1 An Integrated Impact Assessment is not considered necessary at this stage in relation to the Council's Council Tax support scheme, as the report does not introduce any changes to policy or eligibility and no adverse impacts have been identified. The scheme operates within existing frameworks to support residents experiencing financial difficulty.

8. POLICY/STRATEGY FRAMEWORK IMPLICATIONS

- 8.1 Consultation has been undertaken with Management Team and the Lead Member. There has been no significant policy or equality changes to the scheme.

9. LOCAL GOVERNMENT REORGANISATION IMPLICATIONS

- 9.1 A single Council Tax Support scheme will be required after reorganisation. All Lancashire Authorities currently maintain schemes which are based on Housing Benefit regulations, but include local variations.

10. BACKGROUND PAPERS

- 10.1 Council Tax Support Scheme 2025/26
<https://www.rossendale.gov.uk/downloads/file/18398/council-tax-support-scheme-2025-26>

10.2 Prescribed changes to the scheme

<https://www.legislation.gov.uk/uksi/2026/27/contents/made>