

Report to: Meeting of the Full Council - 16 December 2025

Portfolio Holder: Councillor Paul Peacock, Strategy, Performance & Finance

Director Lead: Sanjiv Kohli, Deputy Chief Executive & Director - Resources

Lead Officer: Phil Ward, Business Manager – Revenues & Benefits, Ext. 5347

Report Summary	
Report Title	Localised Council Tax Support Scheme 2026/27
Purpose of Report	To confirm the continuation of the Localised Council Tax Support Scheme for 2026/27 with minor changes in accordance with the annual uprating amounts applied by the Department for Works and Pensions.
Recommendations	That the Council continues to adopt the existing Localised Council Tax Support Scheme for all potential claimants for the financial year 2026/27 and uprates the applicable amounts, premiums, state benefits and disregard criteria in accordance with the annual uprating amounts applied by the Department for Works & Pensions.
Reason for Recommendation	To ensure the Council discharges its responsibilities to agree its Council Tax Support scheme by 31 January 2026.

1.0 Background

- 1.1 As part of the 2012 Welfare Reform Act the national Council Tax Benefit scheme was abolished and in accordance with the Local Government Act 2013 local authorities were required to introduce Localised Council Tax Support schemes from 1 April 2013.
- 1.2 Government funding for the new schemes was reduced by approximately 10%, for Newark & Sherwood claimants and this amounted to around £1m.
- 1.3 Support for Council Tax is now offered as reductions within the council tax system with claimants of state pension age receiving a discount of up to 100% thereby ensuring that they receive no reduction in support as a direct result of the reform.
- 1.4 Localisation provided local authorities with the flexibility to design Council Tax Support schemes for working age claimants taking into account the needs of vulnerable groups and the importance of supporting work incentives. Our current scheme provides the following:

- a) A maximum award of 80% of the liability that Council Tax Support would cover for properties in Bands A and B.
- b) A maximum award of the liability that Council Tax Support would cover equivalent to a council tax band A charge for properties in Bands C to H.
- c) No entitlement to Council Tax Support where claimants have in excess of £16,000 in capital.
- d) A work incentive entitlement that maintains the current rate of council tax support for six weeks when moving into employment.
- e) Providing additional support to vulnerable groups by applying the annual uprating of income and disregard criteria in accordance with the annual uprating amounts applied by the Department for Works and Pensions.

2.0 Proposal /Options Considered

- 2.1 Council Tax Support is calculated by comparing the claimant's earned weekly income and notional capital to the applicable amount. The applicable amount is a notional figure made up of amounts set by the DWP each year and is a measure of someone's basic living requirements.
- 2.2 Earned income is the average weekly amount you earn after deductions for income tax, national insurance and half of any pension contributions.
- 2.3 There are two rules regarding notional capital, depending how old you are:
 - If you are of working age (aged 18 to below pensionable age), notional income is calculated as £1 for every £250 of capital that you have that is over £6,000. For example, if you have £6,500 of savings, this would equate to £2 per week notional income. This is calculated by disregarding the first £6,000 and taking £1 per week for every £250 remaining (£500).
 - If you are of pensionable age, notional income is calculated as £1 for every £500 of capital that you have that is over £10,000. For example, if you have £8,000 of savings, no notional income would be taken into account in the calculation
 - If you are in receipt of guaranteed pension credit, no capital is taken into account as notional income.
- 2.4 The applicable amount is made up of one or more of the following; dependent upon the makeup of the household:
 - An amount for the claimant/partner known as a personal allowance.
 - An amount for any dependant children – your children's personal allowance.
 - An amount for any qualifying premiums such as the disability living premium or carers benefit.
- 2.5 By comparing the claimant(s) income and capital to the applicable amount a decision can then be made on the amount of any Council Tax Support entitlement.
- 2.6 At their meeting held on 11 November 2025, Cabinet recommended to Full Council uprating the applicable amounts, premiums, state benefits and disregard criteria in accordance with the annual uprating amounts applied by the Department for Works and Pensions (DWP); whilst continuing the current Localised Council Tax Support Scheme for 2026/27 financial year.

- 2.7 In consideration of the obligation to consider vulnerable groups within the design of our local scheme Child Benefit, War Pensions, Personal Independence Payments, Disability Living Allowance and Attendance Allowance continue to be disregarded as income and the disability premiums are retained to protect families with children and people with disabilities.
- 2.8 By applying the annual uprating of income and disregards to the 2026/27 scheme the Council will continue to maintain the current level of support to all Council Tax Support claimants and ensure that the scheme continues to benefit the most vulnerable and low -income households using nationally recognised rates of DWP income rather than continuing with the 2025 rates that are being used in the current scheme.
- 2.9 Should the Council decide not to uprate the income and disregards in line with the annual uprating amounts applied by the DWP, this would then penalise claimants as where their income increases their applicable amount would remain the same as the current year. This would then potentially lead to a reduction in Council Tax support awarded.

3.0 **Implications**

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection; Digital & Cyber Security; Equality & Diversity; Financial; Human Resources; Human Rights; Legal; Safeguarding & Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Implications Considered			
Yes – relevant and included / NA – not applicable			
Financial	Yes	Equality & Diversity	NA
Human Resources	NA	Human Rights	NA
Legal	Yes	Data Protection	NA
Digital & Cyber Security	NA	Safeguarding	NA
Sustainability	NA	Crime & Disorder	NA
LGR	NA	Tenant Consultation	NA

Financial Implications (FIN25-26/3802)

- 3.1 As at the end of September 2025, the number of working age claimants eligible for Council Tax Support was 3,879 and the number of pensioners eligible for Council Tax Support was 2,806.
- 3.2 The value of support awarded to date for the 2025/26 year is £7,951,908, in line with the forecast expenditure for the scheme. This would be forecast to increase for 2026/27 but will be dependent on the total Council Tax bill including preceptors, which at the time of writing this report are not available. The implications of an 80% award will be built into the Council Tax base in order to prepare the budget for 2026/27.
- 3.3 The additional estimated cost of moving to a maximum (working age) award of up to 90% would be approximately £577,000 of which the cost to Newark and Sherwood District Council would be £67,000.

- 3.4 The additional estimated cost of moving to a maximum (working age) award of 100% would be £1,155,000 of which the cost to Newark and Sherwood District Council would be an additional £133,000.

Legal Implications (LEG2526/7177)

- 3.5 All legal implications and relevant statutory considerations have been addressed within the report and all financial considerations have been taken into account. The report should be considered at Full Council as approval of the scheme is reserved to Full Council.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None