CABINET
4 NOVEMBER 2025

COUNCIL TAX SUPPORT - SCHEME APPROVAL 2026-27

Responsible Cabinet Member – Councillor Mandy Porter, Resources Portfolio

Responsible Director – Elizabeth Davison,
Executive Director of Resources and Governance

SUMMARY REPORT

Purpose of the Report

1. To consider the draft Council Tax Support (CTS) scheme for 2026-27 before approval by Council on 27 November 2025.

Summary

2. On 28 November 2024, Council approved the local CTS scheme for 2025-26 and the scheme became operational on 1 April 2025.

3. Councils are required to set a CTS scheme each year and as part of that exercise:

   (a) Consider whether any changes should be made to the existing scheme, and

   (b) Where changes are made, consider what transitional protection, if any, should apply to anyone affected by those changes.

4. This report sets out the details of the CTS scheme for 2026-27. No significant changes are proposed to the existing scheme.

5. This report was considered by the Economy and Resources Scrutiny Committee on 30 October 2025, which at the time of writing has not taken place. It is anticipated the Committee will have agreed its onward submission for consideration by Cabinet. The responsible Cabinet Member for Resources will provide confirmation at the meeting.

Recommendation

6. It is recommended that Cabinet consider and approve the draft CTS scheme for 2026-27 at **Appendix 1** and for it to be submitted to Council for decision.

Reasons

7. The recommendations are supported by the following reasons:

(a) The Council is required to publish a local CTS scheme for 2026-27 by 11 March 2026.

(b) The CTS schemes since 2013 have all been implemented successfully without any major challenges.

(c) The continued application of a reduced entitlement for working aged people is still appropriate, given the current financial position of the Council.

Elizabeth Davison
Executive Director of Resources and Governance

Background Papers

(i) Local Government Finance Bill 2012
(ii) Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012

Anthony Sandys: Extension 6926

Council Plan	This report supports the Council Plan's ECONOMY priority to build a strong sustainable economy and highly skilled workforce with opportunities for all
Addressing inequalities	Working aged recipients of CTS are treated differently to pensioners, whose CTS entitlement is decided under a national set of regulations
Tackling Climate Change	There are no issues which this report needs to address
Efficient and effective use of resources	The operation of the local CTS scheme continues to represent a significant financial challenge to the Council and other precepting authorities
Health and Wellbeing	The CTS scheme may have an adverse impact on the health and well-being of low-income groups
S17 Crime and Disorder	There are no issues
Wards Affected	All wards are affected but in particular, those with higher numbers of people claiming CTS
Groups Affected	Working age recipients of CTS are affected by the local scheme. Pensioners are protected under a national set of regulations.
Budget and Policy Framework	This report does not recommend a change to the Council's budget or policy framework
Key Decision	This is not an Executive decision
Urgent Decision	This is not an Executive decision
Impact on Looked After Children and Care Leavers	Care leavers under the age of 25 are exempt from Council Tax and are therefore unaffected by the CTS scheme

MAIN REPORT

Information and Analysis

8. Since 2013, the previous national Council Tax Benefit scheme was replaced with local CTS schemes, designed and administered by local authorities. There is no specific Government grant to fund CTS; the scheme is funded from the overall grants paid to the Council and through Council Tax income. The estimated cost of the CTS scheme for 2025-26 is £9.7m.

9. The Council is required to design and publish a new CTS scheme each year, in time to implement for annual Council Tax billing. A full public consultation exercise and an equality impact assessment were undertaken on the initial scheme in 2013.

10. Each year, the Council must consider whether any changes should be made to the existing scheme and, where changes are made, consider what transitional protection, if any, should apply to anyone affected by those changes.

11. Each year's scheme then must be approved by full Council.

12. The key feature of Darlington's CTS scheme is that working aged people can only receive a maximum of 80% support towards their Council Tax. From April 2023, care leavers under the age of 25 were made exempt from Council Tax, under our discretionary powers. Therefore, they are unaffected by the CTS scheme. Pensioners are protected under a national set of regulations.

13. No other changes are recommended for the 2025-26 CTS scheme; however, Members should note the following:

    (a) The applicable amounts in Table 1 and non-dependant deductions in Table 2 are those amounts currently applied to the 2025-26 CTS scheme and will be uprated for 2026-27. The uprated amounts will be calculated with reference to the amended Prescribed Requirement regulations. These regulations will be published in January 2026 and the CTS scheme for 2026-27 will therefore be amended before publication.

    (b) Any other changes to the Prescribed Requirements regulations 2026 will also be incorporated into the CTS scheme for 2026-27 before publication. These changes are for reference only and do not represent a change to the local CTS scheme.

Financial Implications

14. The recommendation in paragraph 6 will not have any significant financial implications and therefore it is not intended to amend the budget in the MTFP.