

REPORT OF Section 151 Officer  
To: Full Council  
Subject: Local Council Tax Reduction Scheme 2025/26  
Date: 08<sup>th</sup> December 2025 Reference:

**PURPOSE OF REPORT:**

1. To update Members on the Council Tax Reduction Scheme for 2026/27
2. To obtain approval for the current scheme 2025/2026 to roll over to 2026/2027 using updated income figures within the current bands

**1. Introduction**

Localised Council Tax Reduction Schemes were introduced for the working age in England from April 2013. Billing authorities are required to design their own schemes to administer Council Tax Reduction working within a framework set out in legislation. The Government has been clear that pensioners should be protected (a pensioner for this purpose is anyone who has reached the age where they would qualify for State Pension Credit). In addition, Councils are required to consider vulnerable groups when setting their Scheme.

From April 2023 Torridge District Council moved from the original Scheme, which was predominantly based on the Council Tax Benefits Legislation, to an Income Banded Scheme for working age customers, in order to align with the majority of Local Authorities.

Pensioners are subject to a national Council Tax Reduction Scheme set by Central Government.

**2. Report**

The purpose of this report is for Members to agree the rollover of the 2025/2026 Scheme to 2026/2027.

The Devon authorities have historically worked in partnership in an attempt to provide a common and consistent approach to the individual schemes across Devon. Although, the partnership continues to collaborate and share good practice, there is little commonality left within the schemes due to various changes adopted by other Councils, although the majority have now moved to an Income Banded Scheme, with the exception of Exeter City Council.

The qualifying criteria will remain the same within the legalities of the Scheme for 2026/2027. However, the income figures within the bands have been increased by 6.7% in order to be more in line with the Governments announcement in the Autumn Statement to increase the National Living Wage by 4.1%, working age benefits by 3.8% and universal credit standard allowance by 6%.





The grid below shows the income figures that are currently applied to calculate applicants claims and revised figures to be used in the calculation for working age customers for 2026/27. The income taken into account within the Scheme is wages, self-employed income, occupational pensions and tax credits (although the majority of tax credit claims should now have migrated to universal credit).

All other income received is disregarded within our Working Age Scheme. Please note that the modelling has not taken into account individual household income increases, the figures are based on customers current circumstances/income.



Current Income Banded Scheme 2025/2026

Green figures are the proposed 6.7% increase to income to be used 2026/2027 (noted weekly & monthly)

Band	Discount	Passported	Single	Couple	Family with 1 child/young person	Family with more than 1 child/young person	2025/2026 caseload	2026/2027 caseload
1*	75%	Income support, Jobseekers allowance (income based), Employment & Support allowance (income related) and Universal credit (no earnings)	N/A	N/A	N/A	N/A	103	103
income figures								
2	40%	N/A	£0.00 to £170.72 pw £0.00 to £182.16 pw £0.00 to £739.79 pm £0.00 to £789.36 pm	£0.00 to £213.40 pw £0.00 to £227.70 pw £0.00 to £924.73 pm £0.00 to £986.69 pm	£0.00 to £300.89 pw £0.00 to £321.05 pw £0.00 to £1,303.86 pm £0.00 to £1,391.22 pm	£0.00 to £410.80 pw £0.00 to £438.32 pw £0.00 to £1,780.13 pm £0.00 to £1,899.40 pm	1,330	1,670 
3	20%	N/A	£170.73 to £213.40 £182.17 to £227.70 £739.80 to £924.73 £789.37 to £986.69	£213.41 to £283.82 £227.71 to £302.84 £924.74 to £1,229.89 £986.70 to £1,312.29	£300.90 to £364.91 £321.06 to £389.36 £1,303.87 to £1,581.28 £1,391.23 to £1,687.23	£410.81 to £464.15 £438.33 to £495.25 £1,780.14 to £2,011.32 £1,899.41 to £2,146.08	396	129 
4	10%	N/A	£213.41 to £262.48 £227.71 to £280.07 £924.74 to £1,137.41 £986.70 to £1,213.62	£283.83 to £313.70 £302.85 to £334.72 £1,229.90 to £1,359.37 £1,312.30 to £1,450.45	£364.92 to £422.53 £389.37 to £450.84 £1,581.29 to £1,830.96 £1,687.24 to £1,953.63	£464.16 to £512.16 £495.26 to £546.47 £2,011.33 to £2,219.36 £2,146.09 to £2,368.06	65	9 
5	0%	N/A	Over £262.49 pw Over £280.08 pw Over £1,137.42 pm Over £1,213.63 pm	Over £313.71 pw Over £334.73 pw Over £1,359.38 pm Over £1,450.46 pm	Over £422.54 pw Over £450.85 pw Over £1,830.97 pm Over £1,953.64 pm	Over £512.17 pw Over £546.48 pw Over £2,219.37 pm Over £2,368.07 pm	37	20 



The total cost of Council Tax Reduction for both pension age customers and working age customers during 2025/2026 is over £4.5 million which is split between the preceptors. Council Tax Reduction is awarded until the end of the financial year.

The pension age customers caseload totals 1,974 customers @ £2,707,527.25  
The working age customers caseload totals 1,931 customers @ £1,835,563.95

The black figures within the grid are the amounts used when calculating the income band for the Working Age Scheme during 2025/2026.

The green figures are the proposed increases to be used in the calculations for working age customers from 2026/2027. These changes to the income bands will not affect any applicant who is on a 'passported benefit' or in receipt of universal credit, without earnings.

Increasing the figures used within the income bands will add to the cost of the current scheme by circa £275,123.46. However, as the majority of the costs are borne by the preceptors (Devon County Council, Police and Fire Services) the actual costs for Torridge based on the 11%, including Parish Councils, is circa £30,263.58.

### **3. Implications**

#### Legal Implications

There are no legal implications when increasing the income used within the bands, as this change is allowable within the Scheme. Any other significant changes to the Scheme would be subject to an extensive public consultation process and agreement of Council and the principal preceptors.

If the proposals are not agreed by Councillors, the Council would revert to its default Scheme for the next financial year, which is the current 2025/2026 Scheme.

#### Financial Implications

The Council no longer receives a specific grant for the Council Tax Reduction Scheme as it is now included within the general Government grant.

As stated, the total cost of the Torridge Scheme is currently over £4.5 million per annum.

Any change to the Scheme that offers a higher level of financial support and an increase in charges will be a cost to the Council and the precepting authorities, and the details are contained within the report.

#### Human Resources Implications

None directly applicable to this report

#### Sustainability/Biodiversity Implications

None directly applicable to this report



