

**Title: East Cambridgeshire Local Council Tax Reduction Scheme (LCTRS) for 2026/27**

Committee: Finance and Assets

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**1.0 Issue**

- 1.1. Each year the Council is required to review its Local Council Tax Reduction Scheme (LCTRS). This report details the annual review of the Scheme and considers if any changes are needed to the Scheme for 2026/27.

**2.0 Recommendations**

- 2.1. Committee is asked to approve the annual review of the LCTRS and the recommendation that no changes are needed to the Scheme in 2026/27.

**3.0 Background / Options**

- 3.1. We are now in the thirteenth year of LCTRS, a locally set scheme that replaced the previous nationally set Council Tax Benefit (CTB) scheme from April 2013.
- 3.2. In 2013/14, the Council took advantage of a one-off Government grant that compensated in part for the reduction in Government funding for the Working Age scheme. This meant that the maximum LCTRS awarded was 91.5%.
- 3.3. For 2014/15 to 2017/18, the Council retained the original scheme, except that allowances and premiums (the amounts of income from state-administered benefits such as Jobseekers' Allowance) were increased in line with other benefits such as Housing Benefit.
- 3.4. For the 2018/19 scheme, the Council harmonised the scheme with DWP welfare reforms introduced for Housing Benefit and LCTRS for Pensioners and introduced closer links to Universal Credit data share for claims, thereby removing the requirement to make a separate claim.
- 3.5. For 2019/20, the Council made no changes to the scheme.
- 3.6. For 2020/21, the Council introduced a fluctuating earnings rule to the treatment of Universal Credit (UC). A weekly tolerance level of £15 (£65 monthly) was introduced to reduce the number of monthly reassessments impacting customers every time a revised Universal Credit notification is received.

- 3.7. For 2021/22, there were no changes implemented.
- 3.8. For 2022/23, there were four amendments made to the scheme. Reducing the capital threshold from £16,000 to £10,000 and abolishing tariff income for those with under £10,000. Applying a fixed rate non-dependent deduction of £7.40 per week. Streamlining the Council Tax Support application process by signposting customers to claim Universal Credit and Council Tax Support at the same time, and increasing the Universal Credit income variation rule from £65 to £100 each month.
- 3.9. For 2023/24 and 2024/25, the 8.5% minimum contribution scheme was retained for working-age residents with no changes.
- 3.10. For 2025/26, a change was made to the Scheme to enable cases to be re-assessed where evidence has been obtained by the Fraud Team relating to DWP passported benefit in payment. Previously, the Scheme prevented the reassessment of LCTRS entitlement for passported cases where a Council Fraud investigation had been completed, unless the DWP had confirmed the case was also under investigation with them. However, the DWP rarely confirm an investigation was underway which prevented the Council from re-assessing customers' LCTRS entitlement. The change continued the process of requesting the DWP to join the Council's investigations but to permit the Council, based on the evidence gathered, to re-assess LCTRS for those customers in receipt of passported benefit without the requirement for DWP confirming an investigation is in progress. The 91.5% Scheme was continued.

## 4.0 Arguments / Conclusions

- 4.1. No process changes are proposed for 2026/27, and the recommendation is to retain the current scheme with the 8.5% minimum contribution level.
- To ensure that the principle of everyone making at least a small contribution towards their Council Tax charge is maintained.
  - To maintain a level of Council Tax income to continue to provide funding for services at district and county level.
  - There is other support available for those on low incomes and impacted by the cost-of-living crisis within the Housing Team and those affected should also be signposting to maximise benefit take-up, reviewing discounts and exemptions and providing Exceptional Hardship Payments where there is a need.

## 5.0 Additional Implications Assessment

- 5.1 In the table below, please put Yes or No in each box:

Financial Implications	Legal Implications	Human Resources (HR) Implications
Yes	No	No

<b>Equality Impact Assessment (EIA)</b> <b>No</b>	<b>Carbon Impact Assessment (CIA)</b> <b>No</b>	<b>Data Protection Impact Assessment (DPIA)</b> <b>No</b>
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## 6.0 Appendices

None

## 7.0 Background Documents

None

