South Kesteven District Council Local Council Tax Support Scheme – 2026/27

The Council's local scheme has been updated with amendments since the introduction in April 2013 to maintain the link with Housing Benefit and the previous Council Tax Benefit scheme.

Restrictions for working age customers – effective from 1 April 2013:

The current scheme has the following restrictions for working age customers:-

- Maximum entitlement capped to 80%

Council Tax technical restrictions – effective from 1 April 2013 (and onwards)

The current scheme also has the following amendments to Council Tax technical restrictions for all Council Taxpayers as a result of changes to legislation:-

- Introduction of changes to the properties which are unoccupied and unfurnished: -
    - 100% discount for one month;
    - 25% discount for the following 5 months;
    - 100% charge thereafter;
- Introduction of additional premiums to properties empty over 2 years, plus the original charge: -
    - 200% premium – empty between 2 and 5 years.
    - 300% premium – empty between 5 and 10 years.
    - 400% premium – empty over 10 years.
- Unoccupied discount of 100% for the first month.

Council Tax Exemption for care leavers – effective from 1 April 2019:

In 2019/20, a scheme was approved for a local discretionary Council Tax exemption of up to 100% for care leavers aged 18 to 21 years, with the exemption ending on each individual's 22nd birthday.

The scheme was amended for 2021/22, and the age limit was increased to 24 years of age, with the discount ending on each individual's 25th birthday.

Special Constabulary Council Tax Discount Scheme – effective from 1 April 2022:

This scheme was first introduced on 1 April 2022. The award of the discount is retrospective; therefore, the discount was awarded for the financial year 2021/22.

In the financial year (2025/26) the discount has been awarded to three Special Constable households. The amount awarded was £1,403.94 – the breakdown for each is:

	Value	Council Tax Band
Special Constable 1	£543.87	D
Special Constable 2	£429.33	B
Special Constable 3	£430.74	B

The scheme has now closed for the financial year (2025/26) as the application deadline was 30 April 2026.

Continuation of the War Pension and Armed Forces Compensation Disregard for Housing Benefit and Council Tax Support – effective from 1 April 2024:

Section 134 8(a) of the Social Security Administration Act 1992, allows local authorities to modify any part of the Housing Benefit scheme to provide for the disregarding of prescribed war disablement pensions or war widows' pensions.

South Kesteven District Council has applied a disregard of 100% through Officer Delegated Decision. However, as a result of the 2021/22 Housing Benefit audit, a recommendation was taken forward for the Council Tax Support and Housing Benefit War Pension and Armed Forces Compensation Disregard to be included as part of this consultation and decision making process and was first brought to this Committee for inclusion in consultation in July 2023, for the 2024/25 scheme and onwards.

The alignment of the value of the capital tariff limit and disregard for working age claimants to the pension age claimant values – effective from 1 April 2024:

South Kesteven agreed that the capital tariff limit and disregard for working age claimants be aligned to that of the pension age claimant values with effect from 1 April 2024 – these being a capital tariff of £1 for every £500, and a disregard of £10,000.

This was included as part of the 2024/25 scheme consultation and decision making process and was agreed by this Committee in January 2024 for inclusion in the 2024/25 scheme and onwards.

Introduction of the Second Home premium (100%) – effective from 1 April 2025:

The regulations were laid before parliament on 8 October 2024 which included the mandatory exceptions to council tax premiums on second homes. These regulations came into force on 1 November 2024 and, for South Kesteven, came into effect from 1 April 2025.

The purpose of the Second Home Premium is to encourage owners of dwellings that are not occupied as a sole or main residence to bring those properties into permanent residential use. By increasing the cost of retaining a dwelling as a second home, the Council seeks to improve the availability of housing for local residents.

Councils were required to give 1 year's notice of the decision to introduce the premium. Therefore, as part of the consultation and approval process for the 2024/25 LCTS scheme, Council approved the introduction of the premium from 1 April 2025 at its meeting on 25 January 2024.

In November 2024, letters were issued to all owners (at that time) of second homes (359), making them aware of the exceptions. An exception application form was included with the letter, asking the owner to complete and return this if they believed the second property was eligible for an exception to the premium. The form requested the owner to provide the reason and evidence for the exception.

Since the initial letters were issued, any new second homeowner is issued with a Similar letter and exception application form.

As of 31 May 2026, there are 304 second homes, of which 207 have had the 100% premium applied to the Council Tax account, increasing Council Tax annual liability by £424,078 per annum (SKDC share is £38,167). As of 31 May 2026, £214,181 has been paid – which is a collection rate of 51%. This is exceeding our overall collection rate at the same date which is 26.93%

The remaining 97 properties are eligible for the premium exception. The table below shows the mandatory exceptions and the number of second homes who are eligible for each exception:

Exception Class	Exception Reason	Number eligible
PCLB E	Dwelling which is or who would be someone's sole or main residence if they were not residing in job-related armed forces accommodation	6

Exception Class	Exception Reason	Number eligible
PCLB F	Annexes forming part of, or being treated as part of, the main dwelling	10
PCLB G	Dwellings being actively marketed for sale (12 month limit)	18
PCLB H	Dwellings being actively marketed for let (12 months limit)	1
PCLB I	Unoccupied dwellings which fell within exempt Class F and where probate has recently been granted (12 months from grant of probate/letters of administration)	25
PCLB J	Job-related dwellings	9
PCLB K	Occupied caravan pitches and boat moorings	0
PCLB L	Seasonal homes where year-round, permanent occupation is prohibited, specific for use as holiday accommodation or planning condition preventing occupancy for more than 28 days continuously	3
PCLB 0	Other / Discretionary	11
N/A	Awaiting update	14
	TOTAL	**97**