



Finance and Economic Overview and Scrutiny Committee

Thursday, 24 July 2025

Report of Councillor Ashley Baxter,
Leader of the Council, Cabinet Member
for Finance, HR and Economic
Development

Discretionary Council Tax Payment Policy 2026/27

Report Author

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Purpose of Report

To provide an update on Discretionary Council Tax Payment (DCTP) expenditure, to review the scheme ahead of the Financial Year 2026/27, to seek comments from the Committee regarding proposed scheme for public consultation.

Recommendations

The Committee is asked to:

1. Consider and comment on the proposed Discretionary Council Tax Payment Policy prior to its inclusion within the consultation on the Localised Council Tax Support Scheme 2026/27.

Decision Information

Does the report contain any exempt or confidential information not for publication? No

What are the relevant corporate priorities? Enabling economic opportunities
Effective council

Which wards are impacted? All Wards

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 Funding for Discretionary Council Tax Payment is determined as part of the Localised Council Tax Support Scheme decision making process. Each year, as part of the Council Tax Support Scheme consultation, the Council have agreed to provide £30,000 funding for this scheme, this will be a direct cost to the General Fund.

Completed by: Richard Wyles, Deputy Chief Executive and s151 Officer

Legal and Governance

- 1.2 The Council's practices, in relation to the allocation of Discretionary Council Tax Payments, are in line with its legal duty as part of the Localised Council Tax Support Scheme which is currently going through the relevant decision making process.
- 1.3 As the proposed policy for 2026/27 does not contain any material amendments, there are no legal implications. However, the Council is adhering to best practice by reviewing the policy and keeping it up-to-date.

Completed by: James Welbourn, Democratic Services Manager

2. Background to the Report

- 2.1 The Council's Corporate Plan 2024-2027 has a clear commitment to healthy and strong communities and being a high performing council. The Discretionary Council Tax Payment Scheme is designed to support delivery of these priorities.
- 2.2 Each year, as part of the Council Tax Support Scheme consultation, the Council has agreed to provide £30,000 funding for this scheme, this will be a direct cost to the General Fund.
- 2.3 The continuation of this funding is currently being considered as part of the Localised Council Tax Support Scheme decision process, with approval of a final scheme to be in place by January 2026.

- 2.4. If funding is approved, the Discretionary Council Tax Payment (DCTP) policy for 2026/27 will be put into place to ensure effective financial support is provided to eligible recipients.
- 2.5. The DCTP scheme provides additional funding to help those with a council tax liability who are experiencing exceptional hardship in situations where Council Tax Support does not cover all of their council tax liability. To qualify for consideration for assistance under this scheme the customer must already be in receipt of some Council Tax Support.
- 2.6. Awards of DCTP may be made where a tax payer has a short term financial difficulty that means they are unable to pay their Council Tax. Awards will normally be for a defined period and have the effect of reducing the monthly contribution a tax payer has to make towards their bill.
- 2.7. Consideration will be given as to whether all other discounts and sources of help have been exhausted. Where appropriate, decisions will be deferred until other avenues have been explored.

Expenditure

- 2.8. The total amount of funding allocated for each year is £30,000. For 2025/26, the decision was taken to move any unspent funding from 2024/25 into the new year. As a result, in 2025/26 there was total funding of £30,082.
- 2.9. The table below shows the amount of funding agreed in recent years, and the total expenditure. The remaining amount for 2025/26 is as up to 30 June 2025:

	2023/24	2024/25	2025/26
SKDC Contribution	£30,000	£30,000	£30,000
Rolled over from previous years	£17,610	£582	£82
Total funding	£47,610	£30,582	£30,082
Expenditure	£13,936	£30,500	£3,320
Remaining	£33,674	£82	£26,762

- 2.10. DCTP can be applied for independently but are often considered as part of the application process for Discretionary Housing Payments (support for shortfall between Housing Benefit / Universal Credit award and eligible rent). Officers are aware of the DCTP and actively encourage customers to apply where eligibility criteria is met.
- 2.11. South Kesteven's Welfare and Financial Advice Team are aware of the fund and ensure they consider this as part of the financial needs and support assessment which is undertaken when supporting any resident referred them who are impacted by ongoing financial pressures.
- 2.12. In addition to this, residents are also being supported by the Welfare and Financial Advice Team as a result of the Household Support Fund (HSF) grant.

Proposed Discretionary Council Tax Payment Policy – 2026/27

- 2.13. There is a need for proactive work and support due to the ongoing impacts of financial pressures residents are facing. However, it is important DCTP is recognised as support for those in short-term crisis. Where longer term support is required, this is achieved through identification of additional longer term financial support – such as income top-ups, referrals to the Councils Welfare and Financial Advice Team, referrals to external support agencies such as Citizens Advice and Money and Pensions Service. For all residents with a Council Tax liability, our Revenues Enforcement Team are able to provide a holistic approach to advice and
- 2.14. The administration and payment of DCTP is at the discretion of each LA. South Kesteven District Council has a DCT Policy which sets out eligibility for the scheme and the application process. The proposed policy for 2026/27 is outlined in Appendix 1.
- 2.15. The current policy has been reviewed to ensure it is fit for purpose and achieves the aim to enable our most vulnerable residents, who cannot access any other income, to sustain their home and health.
- 2.16. It is proposed to make one change to the policy in paragraph 5.5, to bring the eligibility criteria in line with the Discretionary Housing Payment policy. This is to limit the amount of household capital (claimant and/or partner) to £4,000.

3. Key Considerations

- 3.1. The Council's current policy has been in place for some time and has been updated annually in line with delegated powers. It is appreciated this is an important policy, which provides detail of additional financial support available to our residents. Therefore, it is important this policy is reviewed on an annual basis, not only to ensure the policy is fit for purpose, but to be reactive to any issues our residents are facing.

4. Other Options Considered

- 4.1 Removal of the DCTP fund, which would have a negative impact on those recipients of the fund and could impact collection of Council Tax due.

5. Reasons for the Recommendations

- 5.1 The Committee are asked to comment and feedback on the contents of this report in readiness for the policy to be included within the public and stakeholder consultation as part of the Localised Council Tax Support Scheme 2026/27.

6. Consultation

- 6.1. The purpose and aims of the fund will be included within the public consultation for the Council Tax Support Scheme 2026/27.

7. Appendices

- 7.1. Appendix 1: Discretionary Council Tax Payment Policy – 2026/27