



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Cabinet

Tuesday, 2 December 2025

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

Discretionary Payment Policies 2026/27

Report Author

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Purpose of Report

To update the Discretionary Council Tax Payment (DCTP) Policy 2026/27 and Discretionary Housing Payment (DHP) Policy 2026/27 and to request Cabinet approval for both policies.

Recommendations

Cabinet is recommended to:

- 1. Approve the Discretionary Council Tax Payment Policy for 2026/27;**
- 2. Approve the Discretionary Housing Payment Policy for 2026/27**

Decision Information

Is this a Key Decision?	No
Does the report contain any exempt or confidential information not for publication?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 The funding of both these policies will be incorporated into the budget setting proposals for 2026/27 including the Localised Council Tax Support Scheme.

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 The Council's practices, in relation to the allocation of Discretionary Housing Payments, are in line with its legal duties. The Council is not obliged to contribute any additional funding from its own resources.
- 1.4 As the policies for 2026/27 do not contain any material amendments, there are no legal implications. However, the Council is adhering to best practice by reviewing the policies and keeping them 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 Payment Policies are designed to support delivery of these priorities.

Discretionary Council Tax Payment Policy

- 2.2. This Policy supports residents already receiving Council Tax Support who face short-term financial crises. Annual funding of **£30,000** is proposed, subject to approval under the Localised Council Tax Support Scheme 2026-27.

- 2.3. 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
- 2.4. DCTP can be applied for independently but is 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 if eligibility criteria is met.
- 2.5. South Kesteven's Welfare and Financial Advice Team are aware of the funding. They consider this as part of the financial needs and support assessment which is undertaken when supporting any residents suffering ongoing financial pressures who are referred to them.
- 2.6. Residents are also being supported by the Welfare and Financial Advice Team as a result of the Household Support Fund (HSF) grant.

Discretionary Council Tax Payment (DCTP) Policy – 2026/27

- 2.7. The administration and payment of DCTP is at the discretion of each Local Authority. South Kesteven District Council (SKDC) has a DCTP Policy which sets out eligibility for the scheme and the application process. The Policy for 2026/27 is outlined in **Appendix 1**.
- 2.8. 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.
- 2.9. There is one change to the policy, in paragraph 5.5, to bring the eligibility criteria into line with the Discretionary Housing Payment policy. This is to limit the amount of household capital (claimant and/or partner) to £4,000.
- 2.10. The proposed 2026/27 policy was included within the Localised Council Tax Support consultation process where the specific question was asked *"Do you think these schemes should continue in 2026/27"*. A total of **90.18%** of respondents felt the schemes should continue (**358 of 397** responses).

Discretionary Housing Payment (DHP) Policy – 2026/27

- 2.11. This Policy assists claimants on Housing Benefit or Universal Credit where housing costs exceed benefit entitlement. Funding is provided by the Department for Work and Pensions, with South Kesteven's allocation for 2025/26 at **£155,861**.

- 2.12. The Discretionary Financial Assistance Regulations 2001 (SI 2001/1167) as amended by the Discretionary Financial Assistance (Amendment) Regulations 2008 SI 2008/637 provide a statutory framework for the administration of Discretionary Housing Payments (DHP). However, these regulations provide very broad discretion in respect of how these payments should be administered and as a result the administration and payment of DHP is at the discretion of each LA.
- 2.13. It is important DHP is recognised as support for people with short-term crises. 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 SKDC's own social housing tenants, liaison with our Housing Team is important to ensure a holistic approach to prevent homelessness and to ensure each resident is supported through our Tenancy Support Team.
- 2.14. 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.
- 2.15. There are no proposals to make any changes to the policy. The policy for 2026/27 is included within **Appendix 2** to this report.
- 2.16. The proposed 2026/27 policy was included within the Localised Council Tax Support consultation process where the specific question was asked "Do you think these schemes should continue in 2026/27". A total of **90.18%** of respondents felt the schemes should continue (358 of 397 responses).

3. Key Considerations

- 3.1. The Council's current policies have been updated annually in line with delegated powers. These are important policies which provide details of additional financial support available to residents. Therefore, it is important the council continues to review these policies annually, not only to ensure the policies are fit for purpose, but to be reactive to any emerging issues faced by residents.

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 recommendations are in line with Council's practices and legal duty to review the financial allocation and eligibility of each policy.

- 5.2 As the policies for 2026/27 do not contain any material amendments, there are no legal implications. However, the Council is adhering to best practice by reviewing the policies and keeping them up-to-date.

6. Consultation

- 6.1. These policies are consulted upon every year and reports are presented to Finance and Economic Overview and Scrutiny Committee.
- 6.2. The policies were included within the wider Localised Council Tax Support Scheme 2026/27 consultation which took place from 1 September to 30 September 2025.

7. Appendices

- 7.1. Appendix 1: Discretionary Council Tax Payment Policy – 2026/27
- 7.2. Appendix 2: Discretionary Housing Payment Policy – 2026/27