

Classification: Open	Decision Type: Key
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Report to:	Cabinet	Date: 15 January 2026
Subject:	Council Tax Support Scheme 2026	
Report of	Deputy Leader and Cabinet Member for Finance and Transformation	

Summary

1. Bury Council has reviewed its Working Age Council Tax Support (CTS) scheme to ensure it remains fair, efficient, and sustainable. The current means-tested model delivers strong targeting but is administratively complex and less generous for some working families. Three alternative models were modelled to explore simplification and fairness.
2. The scheme for Pension Age residents is prescribed by central government and cannot be amended by local authorities.
3. For the financial year 2025/26 the authority levied £156,267,570 gross in Council Tax. £13,382,097 (9% of gross levy) is projected to be discounted over the year in order to provide support to residents. Of this figure £7,590,145 (5% of gross levy) is projected to be discounted for support towards working age households.
4. Council Tax is a critical funding stream for the authority in determining budgets for the delivery of council services to residents and growing in its proportion of the council's overall funding.
5. Bury, like most other councils, is under significant financial pressure and when designing the Council Tax Support scheme must take into close consideration the financial impact this may have. For example, a more generous scheme may require additional offsetting of savings whilst a far less generous scheme has the potential to create greater losses to collection than the scheme offsets with support. Therefore, the principle of the proposal is to remain as cost neutral as possible whilst providing more support to those who need it most.
6. It is critical to note that no option for change in a Council Tax Support Scheme can be made or considered without adherence to The Local Government Finance Act 2012 which sets out that billing authorities must consult with the public on any draft scheme for Council Tax Support.
7. Following approval from Cabinet on the proposal, the authority commenced public consultation on 6th November for a period of five weeks until 11th December.

8. The results and analysis of the public consultation are contained within Council Tax Support Scheme Consultation Analysis report.

Recommendation(s)

9. That Cabinet approve presentation of the new Council Tax Support scheme at Full Council on 21st January in order to seek Full Council approval for adoption and implementation in April 2026.
10. That Full Council approve the adoption and implementation of the new Council Tax Support Scheme from 1st April 2026

Reasons for recommendation(s)

11. The proposed scheme has already been approved for consultation and must now be approved by Full Council before adoption.

Alternative options considered and rejected

12. Retention of the existing scheme.

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Links with the Corporate Priorities:

13. Reduce Child Deprivation – the remodelled scheme aims to provide increased financial support to families on low incomes.
 14. Inclusive Economic Growth – through providing greater financial support to families, the scheme enables and supports employment chances for those residents balancing employment with childcare costs.
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Equality Impact and Considerations:

15. The analysis assessed households by disability and family composition. Current protections for disabled adults, carers, and lone parents perform well. However, lower-band caps and tight capital limits restrict support for other low-income groups.
16. The proposed scheme maintains protections and increases awards for families with children, aligning with the Council's Public Sector Equality Duty to advance equality and reduce child poverty.

Environmental Impact and Considerations:

17. Not applicable

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Please see background paper for a full list of risks and mitigations.	

Legal Implications:

18. Following the case of *LL & Anor, R (on the application of) v Trafford Metropolitan Borough Council* [2025] EWHC 2380 (Admin) CTS schemes must be formally adopted by Full Council under s.67(2)(aa) Local Government Finance Act 1992. Adoption by Cabinet or delegation would be unlawful.

19. Schemes must also:

- Avoid double-counting income already deducted in Universal Credit.
- Clearly specify disregards for UC elements (carer, disabled-child, etc.).
- Evidence compliance with the Equality Act 2010 through an Equality Impact Assessment (EIA).

20. Section 13A of the Local Government Finance Act 1992 ("the 1992 Act"), as amended by The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2022, requires each billing authority in England to make a scheme specifying the reductions which are to apply to amounts of council tax payable by persons, or classes of person, whom the billing authority considers are in financial need.

Financial Implications:

21. The current CTS scheme costs £7.57m annually.

22. The proposed scheme is projected to cost £7.63m annually based on current caseload and therefore there is no material impact forecast on the 2026/27 budget.

Appendices: Please note:

Appendix 1 - Bury Council Tax Support Scheme Analysis

Appendix 2 - Bury Council Tax Support Scheme Consultation Analysis

Background papers:

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
CTS	Council Tax Support
UC	Universal Credit
DWP	Department for Work and Pensions
Non-Dependant	An adult living in a property who is not the liable person for Council Tax