

<b>Classification:</b> Open	<b>Decision Type:</b> Key
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<b>Report to:</b>	Council	<b>Date:</b> 25 February 2026
<b>Subject:</b>	2026 Council Tax Support Scheme technical amendment	
<b>Report of</b>	Cabinet Member for Finance and Transformation	

## Summary

Approval is sought for a technical amendment to the earnings band thresholds stated within the Council Tax Support (CTS) Scheme for 2026/27, prior to implementation on 1 April 2026.

Following Council approval of the revised draft scheme on 21 January 2026, system testing and configuration by officers identified that an incorrect table had been used within Cabinet and Council papers to illustrate the earned income bands being introduced in the new scheme. This table contained a higher maximum earnings threshold than was intended.

If adopted the increased income threshold could increase the council's exposure to future expenditure risk by expanding eligibility beyond the intention of the scheme principles. (This would also represent an expansion of eligibility beyond the current CTS scheme levels and caseload).

The proposal is to correct the upper earnings thresholds within the table to the intended level and safeguard against those on a higher level of earned income being able to access the scheme from April 2026 onwards.

Under regulation, Council Tax Support schemes must be finalised by 11<sup>th</sup> March, and so it is necessary to seek Full Council approval for this correction prior to that date.

## Recommendation(s)

To approve the technical correction of the income bands within the scheme to their intended level

## Reasons for recommendation(s)

To protect future council expenditure beyond intended scope and safeguard the scheme's intended scope and principles.

## Alternative options considered and rejected

Adopting the scheme including the incorrect income band table.

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## Report Author and Contact Details:

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## Background

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Following Council approval of the revised draft scheme on 21 January 2026, system testing and configuration by officers identified that an incorrect table had been used within Cabinet and Council papers to illustrate the earned income bands being introduced in the new scheme. This table contained a higher maximum earnings threshold than was intended.

### Table and income bands used in documentation

Discount	Single	Single +1 Child	Single +2 Child	Single +3+ Child	Couple	Couple +1 Child	Couple +2 Child	Couple +3+ Child
80%	£0	£0	£0	£0	£0	£0	£0	£0
60%	£100	£200	£300	£300	£100	£200	£300	£300
40%	£500	£700	£800	£800	£600	£700	£800	£800
20%	£900	£1100	£1200	£1200	£1000	£1100	£1200	£1200
10%	£1400	£1600	£1800	£1800	£1500	£1700	£1800	£1800
0%	£2000	£2200	£2300	£2300	£2100	£2200	£2300	£2300

The table indicated that - for example - a single person in receipt of between £900 and £1400 earned income per month would receive 10% Council Tax Support.

The table did not make it clear enough that the income levels stated were the maximum levels within the band e.g. £100 per month was the maximum amount a single person could earn to qualify for 60% Council Tax Support.

### Corrected table and income bands

<b>Dis- -count</b>	<b>Single</b>	<b>Single +1 Child</b>	<b>Single +2 Child</b>	<b>Single +3+ Child</b>	<b>Couple</b>	<b>Couple +1 Child</b>	<b>Couple +2 Child</b>	<b>Couple +3 Child</b>
80%	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
60%	£0.01 - £100	£0.01 - £200	£0.01 - £300	£0.01 - £300	£0.01 - £100	£0.01 - £200	£0.01 - £300	£0.01 - £300
40%	£100.01 - £500	£200.01 - £700	£300.01 - £800	£300.01 - £800	£100.01 - £600	£200.01 - £700	£300.01 - £800	£300.01 - £800
20%	£500.01 - £900	£700.01 - £1100	£800.01 - £1200	£800.01 - £1200	£600.01 - £1000	£700.01 - £1100	£800.01 - £1200	£800.01 - £1200
0%	Over £900	Over £1100	Over £1200	Over £1200	Over £1000	Over £1100	Over £1200	Over £1200

The corrected table illustrates that – for example – a single person may earn a maximum of £900 per month before becoming ineligible for Council Tax Support.

The corrected table is also much clearer in detailing for residents the range of earned income they can earn to qualify for each level of discount. For example, a couple with 1 child who earn between £700.01 and £1,100 per month would qualify for 20% in Council Tax Support.

The correction of the table does not impact the current CTS caseload as it only prevents those on a higher level of earned income, and who do not currently qualify for CTS under the current scheme, from qualifying for CTS under the new scheme. And system testing confirms that the revised thresholds result in no material change to the overall scheme impact.

Whilst the proposed amendment revises the upper earnings thresholds, it does not alter the policy intent or design of the scheme.

The scheme was subject to public consultation in 2025. The consultation was based on the principles of the new scheme and requested resident feedback on the changes to the design of the scheme. The income band table did not form part of the consultation documentation and was not specifically consulted on.

Following approval of the new scheme at January council, the finalised Council Tax Support Scheme regulations are now also included with this report prior to implementation on 1<sup>st</sup> April 2026.

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## Links with the Corporate Priorities:

Reduce Child Deprivation – the remodelled scheme aims to provide increased financial support to families on low incomes.

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:

Please provide an explanation of the outcome(s) of an initial or full EIA and make **specific reference regarding the protected characteristic of Looked After Children**. Intranet link to EIA documents is [here](#).

An Equality Impact Assessment has been completed and published for the scheme previously.

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.

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:

Please provide an explanation of the Environmental impact of this decision. Please include the impact on both **Carbon emissions** (contact [climate@bury.gov.uk](mailto:climate@bury.gov.uk) for advice) and **Biodiversity** (contact [c.m.wilkinson@bury.gov.uk](mailto:c.m.wilkinson@bury.gov.uk) for advice)

1. Not applicable

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## Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Amendment to the scheme may not be lawful without reconsulting.	External legal opinion sought and assurance provided.

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## Legal Implications:

To be completed by the Council's Monitoring Officer.

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.

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).

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.

The original scheme has been consulted on; the extent of the amendment is set out above. External legal opinion has been sought, it has been confirmed that the Council is not required to reconsult on the amendment.

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### **Financial Implications:**

Approval of the report will ensure that the scheme will remain broadly cost neutral and have no impact on the 2026/27 budget and medium term financial strategy assumptions.

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### **Appendices:**

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### **Background papers:**

**Bury Council: Council Tax Support Scheme 2026/27**