

## **Slough Borough Council**

<b>Report To:</b>	<b>Council</b>
<b>Date:</b>	29 January 2026
<b>Subject:</b>	Recommendations of the Cabinet from its meeting held on 19 <sup>th</sup> January 2026: Council Tax Support Scheme for 2026/27 Financial Year
<b>Chief Officer:</b>	Ian O'Donnell, Executive Director Corporate Resources (S151)
<b>Contact Officer:</b>	Andy Jeffs, Director of Revenues and Welfare Services
<b>Ward(s):</b>	All
<b>Exempt:</b>	No
<b>Appendices:</b>	Appendix A – Council Tax Support Scheme 2026/27  Appendix B – Consultation feedback summary  Appendix C – Equality Impact Assessment

### **1. Summary and Recommendations**

- 1.1 This report contains the recommendations of the Cabinet from its meeting held on 19<sup>th</sup> January 2026 in relation to the Council Tax Support Scheme for 2026/27.
- 1.2 Paragraph 5 of Schedule 1A to the Local Government Finance Act 1992, as amended by Schedule 4 of the Local Government Act 2012, requires the council to review its localised Council Tax Support (CTS) scheme and whether to revise its scheme or to replace it with another scheme for each financial year. Following review of the scheme for 2026/27 financial year a consultation was carried out, and a revised scheme is now recommended by Cabinet to Full Council.
- 1.3 Council is informed that the Cabinet also resolved that if Full Council approves the CTS scheme for 2026/27, the CTS Hardship Fund should continue for 2026/27 with a reduced amount of £175,000, funded from the Crisis and Resilience Fund for this expenditure, plus a further £80,000 unspent from the Hardship Fund in 2025/26 to be rolled over into 2026/27.

#### **Recommendations:**

Council is recommended to approve a new Council Tax Support scheme for 2026/27 as appended at Appendix A to come into effect on 1 April 2026.

## **Reason:**

The Council remains under the intervention of the Secretary of State for Housing, Communities and Local Government due to it having failed to meet its best value duty or demonstrate that it can become sustainable and resilient without exceptional financial support. The Council is legally required to approve a balanced budget for 2026/27, and this will require significant reductions in expenditure across services, alongside increasing its income. Even with these changes, the Council continues to rely on exceptional financial support. With the financial pressures to deliver a balanced budget in 2026/27, the Council must look at all options to deliver savings. A reduction in support provided under the CTS scheme will provide a significant contribution to the budget gap in 2026/27.

In compliance with legislation the council published a draft scheme and consulted stakeholders (being those persons considered to have an interest in the operation of the scheme) on proposed changes to the scheme and has considered the impact on current and future applicants. The proposal includes mitigations to manage these impacts and balances the Council's various legal duties.

Statutorily the scheme must be agreed by 11 March 2026 for the new scheme to take effect for the following financial year and to enable the Council to make the proposed estimated savings of £0.724m from a reduction in gross CTS expenditure of £0.872m for the year 2026/27. If the council does not meet this deadline and agree the changes to the scheme, the council will be required to continue to deliver the current CTS scheme and will need to find an alternative way to manage the budget gap created.

## **Commissioner Review**

*"It is a legal requirement for the Council to set an annual budget and for that budget to be 'balanced' or fully funded. The Council remains reliant on exceptional financial support from government for 2026/27 and beyond, to achieve this. In establishing a sustainable and resilient financial base to support delivery of Council policies and priorities, the difference between the core funding the Council expects to receive and the estimated cost of delivering agreed services will need to be addressed.*

*The commissioners have been consulted on this report and are content for the report to be considered, along with mitigations being proposed to support claimants who may experience financial hardship."*

## **2. Report**

### **Introduction**

- 2.1 Slough Borough Council has consulted on changes to its CTS scheme to understand the views of stakeholders and the potential impacts should the proposed changes be made.
- 2.2 The Council's financial position means it must make significant savings to become financially viable and is unable to balance its budget without government exceptional financial support. Making savings on the CTS scheme will make a significant contribution towards the setting of a balanced budget for 2026/27 and there are limited other identified options to deliver this level of saving. The Council remains heavily reliant on exceptional financial support to close its estimated budget gap in its medium-term financial strategy (MTFS). The current CTS scheme costs £10.447m (at the time of modelling), £6.401m of which relates to working age households.

- 2.3 Pensioners (of state pensionable age) will not see any changes as the CTS scheme is set nationally. The Council is therefore not making any changes to the pensioner scheme.
- 2.4 Following the consultation, the Council is proposing to implement the scheme consulted on for 2026/27, which will deliver a net saving to the Council of £0.724m and align the scheme with three other Berkshire local authorities, reducing the maximum CTS support from 80% to 70% for non-working and by 20% for some of those who are working.
- 2.5 In addition, the Council will continue to fund a reduced CTS Hardship Fund of £0.175m in 2026/27 to support those who are in receipt of CTS and find themselves in financial hardship.
- 2.6 The impact of the change will be reviewed in 2026/27, alongside the use of the Crisis and Resilience Fund and the Council will consider whether to introduce changes in 2027/28, however it commits to consulting on any future changes.

### **Background**

- 2.7 The Council is currently facing severe financial pressures, and the CTS scheme for working age claimants is a discretionary scheme. As such, following careful consideration of a variety of savings proposals council wide, the Council made the difficult decision to consult on an option to reduce the scheme's gross expenditure by £0.872m per annum from the 1 April 2026 as part of a wider variety of savings options. Due to 17% of savings being passed onto preceptors, this would result in a saving of approximately £0.724m for the Council.
- 2.8 Legislation requires the Council to consider annually whether the Council's CTS scheme should be revised or replaced. The Council must consider whether the scheme requires changing and must do this in time to ensure it has sufficient time to consult and determine the scheme prior to the deadline set out in legislation.
- 2.9 The working age CTS caseload as of October 2024 was 6,466 households. A decision to reduce the level of funding of CTS these households receive is recognised as being a difficult decision to make.
- 2.10 The Council consulted on the following proposal:

Table 1 – Proposal consulted on compared with current scheme

Options	Current	Proposed
Income Band	Discount off CT	Discount off CT
	liability	liability
1	80%	70%
-	-	-
1	50%	50%
2	40%	32%
3	30%	20%
4	20%	15%
5	10%	10%
6	5%	5%
7	0%	0%
Total Reduction	-	£872,198
Band 1 Avg Reduction in Discount	-	£160.37
Other Bands Avg Reduction in Discount	-	£92.72

2.11 The consultation ensured all stakeholders, including preceptors, are aware of the proposals and had an opportunity to feed in and shape a revised CTS scheme. The consultation engaged with the Voluntary and Community Sector both to capture their and their service users' views of the proposals, but also to identify barriers people may have to be able to engage with the consultation and how these barriers may be reduced.

2.12 All 6,466 households currently in receipt of CTS were contacted by post and invited to share their views in the consultation. The online consultation was promoted through corporate channels and shared with the media. A total of 163 responses were received between when the consultation was opened on 27 October 2025 and when it was closed on closed 21 December 2025. More details follow below.

### Options considered

2.13 In the development of the proposed changes to the CTS scheme, various options were considered. Factors included ability to pay; the ability for households to enter work/increase working hours to become financially independent; other pressures the household may experience such as additional costs that may arise in relation to disablement; implications of changes for the most vulnerable; and ensuring any changes proposed did not act as a disincentive to work. We also considered support that was already in place such as income maximisation through the Debt and Welfare service, highlighting additional discounts and care leaver exemptions.

2.14 The following principles were developed to shape changes to the scheme:

- To retain the current higher level of support provided to those claimants that are most vulnerable

- Ensuring that CTS entitlement reflects the income and circumstances of other adult residents in the household thereby facilitating an appropriate contribution towards funding local services via Council Tax
- Slough Borough Council will provide targeted support for those experiencing the greatest impacts of any agreed changes to the existing scheme.

2.15 The following are the options considered:

**Option 1** – do not make changes to the CTS scheme.

The Council's financial situation is such that this is not a reasonable approach. Many other local authorities have reduced support under their CTS scheme, leaving the Council with one of the most beneficial schemes. The Council has a legal obligation to balance its budget and to deliver best value. The Council is under statutory intervention and has had to seek exceptional financial support from central Government. The Council must balance the needs of its taxpayers and service users when making decisions on the level of support to offer. For this reason, **this is not recommended.**

**Option 2** – make proposed amendments that reduce the maximum CTS support from 80% to 75% for non-working and by 10% for those who are working. This would deliver a total gross reduction in CTS expenditure of £430,062.

As stated in the first option, the Council's financial situation is acute and requires reductions in expenditure in service directorates and increases in income. **This is not recommended.**

**Option 3** – make proposed amendments that reduce the maximum CTS support from 80% to 70% for non-working and by 20% for those who are working.

The Council is under statutory intervention and has had to seek exceptional financial support from central Government. The Council must balance the needs of its taxpayers and service users when making decisions on the level of support to offer. This would deliver a total gross reduction in CTS expenditure of £0.872m. **This is the recommended option.**

### **Transitional provisions considerations**

2.16 The Local Government Finance Act 1992, Schedule 1A, para 5(4) (as amended) states:

“If any revision to a scheme, or any replacement scheme, has the effect of reducing or removing a reduction to which any class of persons is entitled, the revision or replacement must include such transitional provision relating to that reduction or removal as the authority thinks fit”.

2.17 Due consideration has been given to what appropriate transitional provision may be applied. It was considered whether the proposed changes to the scheme could be phased in over a two-year period. This would have meant the reduction to awards was applied as 50% in 2026/27 and 100% from 2027/28. However, this approach would have resulted in additional scheme administration. Following due consideration, it is therefore considered that such a transitional provision within the scheme would not be appropriate. Other proposals within this paper will help, including funding of £0.175m being allocated to the CTS Hardship Fund for 2026/27,

which will provide temporary support to households whilst they access advice and support. The Hardship Fund will give the opportunity for households most affected by the change to apply for additional assistance to support them while they adapt to the revised rate of payment. In addition, there is a strong offer to support households in financial hardship delivered via the Debt and Welfare team which looks to provide households with sustainable support in the longer term, avoiding crisis. In addition, if the changes to the scheme were phased in over a two-year period, the level of net savings achieved in year one for the Council would reduce from £0.872m to £0.436m. This reduced rate of savings would mean the Council would need to identify further savings to cover this gap in 2026/27.

### Current CTS scheme

- 2.18 The current CTS scheme has 8 Bands and in each of those bands the reduction in Council Tax increases. Those in Band 1 with the lowest incomes currently receive an 80% reduction, leaving 20% to pay in Council Tax.
- 2.19 In addition, to reduce the amount of administration all income bands are the same for all household types, making the scheme less confusing for residents. The current Bands are shown in Table 2 below:

Table 2 – Current CTS scheme

Income Band	Discount off CT	Earnings threshold
	liability	(weekly)
1	80%	Not working
-	-	-
1	50%	Earnings <£115.38
2	40%	£115.39 - £184.61
3	30%	£184.62 - £253.84
4	20%	£253.85-£323.07
5	10%	£323.08-£392.30
6	5%	£392.31-£461.53
7	0%	£461.54 and above

- 2.20 The current scheme is shown in Table 3 below compared with other Berkshire Councils with a maximum 80% reduction:

Table 3 – Current Berkshire Maximum Reductions

Authority	Maximum Discount
Slough	80%
RBWM	80%
Bracknell	80%
Wokingham	78%
Reading	70%
West Berks	70%

## Consultation

- 2.21 To ensure all stakeholders were given the opportunity to respond to the consultation, a far-reaching consultation was carried out from 27 October to 21 December 2025.
- 2.22 It was recognised that the CTS proposals being consulted on were a complex subject matter which would potentially impact upon 5,545 working age households in the borough. The consultation therefore ensured that all stakeholders could access the consultation in a format that met their needs.
- 2.23 The 6,466 working age households were sent a letter providing them with details of the proposals being consulted on and providing them with the details on how to respond to the consultation.
- 2.24 In total 163 (2.5%) responses to the consultation were received. This is not a statistically representative response as the survey was open to all recipients of support and the wider public. Whilst the response may seem low, it is significant enough to understand general views on the proposal and impact. This, combined with other available data, allows the Council to consider differential impact and understand residents' views on key issues. The results have also fed into the equality impact assessment, alongside other information to identify disproportionate impact by protected characteristic. 84% of the respondents were receiving CTS, and 16% were not. Further detail is provided in the summary consultation responses in Appendix B. Of the 163 responses received, the outcomes from the questions were as follows:

Table 4 – Consultation question outcomes

Question	Definitely agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Definitely disagree
Do you agree the council should reduce the rate of CTS for households as below?	15.34%	5.52%	2.45%	7.36%	69.33%
Question	Very positive	Fairly positive	No effect	Fairly negative	Very negative
What do you think the impact may be on your household if we did this?	8.59%	7.36%	6.75%	6.75%	70.55%
Question	Definitely agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Definitely disagree
If the changes are introduced, the council should allocate a hardship fund of £175,000 to help those most affected for the 2026/27 year.	44.17%	12.27%	19.02%	4.91%	19.63%

Question	Definitely agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Definitely disagree
If the changes are introduced, the council should allocate a hardship fund of £350,000 to help those most affected for the 2026/27 year.	56.44%	13.50%	13.50%	5.52%	11.04%
Question	Definitely agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Definitely disagree
If these changes are implemented, the council should provide additional financial advice to help those affected.	65.03%	14.11%	9.82%	3.07%	7.98%

2.25 In addition to the options provided for the questions, respondents were invited to respond to the following question:

- Are there any other comments you wish to make about the proposed changes or is there anything else you would like to tell us?

2.26 There were 115 comments to this question. 93 of those were from respondents who disagree with the reduction in the rate of Council Tax Support, 20 from those who agree and 2 who neither agree nor disagree

2.27 The key themes of the consultation are as follows, together with the Council's response to each of these.

### **Views about reducing the discounts across the bands**

2.28 Most respondents (84%) were in receipt of CTS and were opposed to the changes. This is not surprising given that the proposed changes will impact them personally. Open text comments provided more detail on the concerns which included concern that respondents would be unable to pay other essential bills, and this could have significant consequences. Many respondents commented that their finances are already being affected by the cost-of-living crisis and rising energy costs, with concerns the proposed changes to the CTS could add more pressure.

2.29 **Council response:** The Council understands that the proposed changes will impact low-income households, and this is the reason for proposing the continuation of a CTS Hardship Fund, albeit at a lower level, to provide transitional support for those most in need. Information from other local authorities indicate that similar discounts are in place and collection rates are still high. The Council will ensure it publicises services offering debt, welfare, and other advice. The Council also has an enforcement policy which considers the individual needs of a debtor. The Council will proactively identify households most at risk of financial hardship through



data matching, arrears trends and referrals from internal services and partners. Where possible, early intervention will be offered before arrears escalate

### **Views about the potential impact the changes would have**

- 2.30 Comments received in the additional text to this question provide an overview of respondents' views on the potential impact of the changes, including views from people with disabilities and long-term illness including mental health, people with care responsibilities, working parents on low income, single parent families, those in receipt of benefits, and older residents.
- 2.31 The key impact is due to financial hardship arising from the changes. This could be exacerbated due to existing hardship and poverty because of the cost-of-living crisis. Financial hardship could result in households making decisions about whether to pay Council Tax or pay for other bills such as rent, heating or food, or going into debt. Non-payment of other bills can have a detrimental effect on people such as increasing the risk of homelessness, impacting on physical and mental health.
- 2.32 There were several comments about single parents and families with children and how it would be difficult to find the additional money and may need to balance providing basics such as food and clothes as well as other bills such as utilities and rent along with nursery costs.
- 2.33 Comments were made by people not able to work due to ill health who were on benefits and were already struggling and having to find additional money to pay Council Tax for them would be like taking away essentials.
- 2.34 **Council response:** The Council accepts that the proposed changes will impact 5,545 of current recipients of support and that recipients are by definition on low incomes. The Council also accepts that the impact of decisions made at a national level and factors such as inflation have an impact on household income and that this will lead to decisions needing to be made about what to prioritise. As stated in this report, the Council has put forward several measures to respond to the potential impact of the changes and needs to balance decisions to reduce services and increase income in order to set Council Tax at a level that ensures income meets expenditure commitments. These measures include retaining a CTS Hardship Fund, albeit at a reduced amount, along with additional support for debt and benefit advice, and through the Household Support Fund and Discretionary Housing Payments.

### **Views about providing a CTS Hardship Fund to help those most affected**

- 2.35 Most respondents clearly agreed with this with some indicating that the proposed £0.175m was not sufficient to help those who needed support. There was higher support for a £0.350m fund.
- 2.36 **Council response:** Following feedback during consultation, the Council will retain a CTS Hardship Fund of £0.175m in 2026/27, a reduction from the current fund of £0.350m. This fund will be kept under review and decisions made in accordance with the CTS Hardship Policy approved in 2025. In addition to continuing the CTS Hardship Fund, the Council will ensure that the fund is targeted at those households experiencing the greatest financial hardship. Applications will be assessed having regard to vulnerability, essential living costs and competing priority debts. Awards may be made to prevent escalation of debt, support household stability and avoid crisis situations.

The impact of the scheme and the adequacy of the mitigations will be monitored throughout 2026/27. Data will include use of the hardship fund, levels of arrears, recovery action and feedback from advice agencies. This intelligence will inform any future amendments to the scheme.

2.37 The current CTS Hardship scheme data as at the 31 December 2025 is:

- 743 applications have been received
- 137 have been awarded CTS Hardship totaling £66,315
- 459 applications have been refused for the following reasons:
  - 209 due to sufficient income
  - 5 due to sufficient capital
  - 22 due to them being exempt from paying/not liable/out of borough
  - 33 due to their Council Tax account being in credit
  - 190 due to failing to provide the required supporting information for us to complete the application process
- 12 cases are pending while we await the receipt of further information
- 135 cases are awaiting processing

### **Other responses**

2.38 Correspondence was submitted in addition to completion of consultation surveys. This included correspondence querying the consultation methodology and whether respondents may have been confused by questions on the level of funding to support hardship and the meaning of the term 'impact.' The consultation included links to information to explain the proposed change and there were a number of meetings held where further questions could be asked. The results indicate that the majority of respondents were opposed to the changes and many provided free text comments highlighting the impact of the changes. In addition, whilst the majority supported a hardship fund, a higher number supported retaining the current level of funding compared to the lower level and the free text comments included comments on the level of funding and whether this is sufficient to mitigate the impact. There is therefore evidence to support that respondents understood the proposals and were able to respond highlighting the impact such changes would have.

2.39 Drop-in sessions were offered and engagement with voluntary organisations, however there was no take up for these drop ins and no formal responses from voluntary or other representative bodies.

### **Proposed CTS scheme for 2026/27 following consultation**

2.40 The proposed CTS scheme for 2026/27 reduces the maximum CTS support from 80% to 70% for non-working and by 20% for those who are working.

## 2.41 Table 5 – 2026/27 CTS scheme

Income Band	Discount off CT Liability	Earnings threshold
		(weekly)
1	70%	Not working
-	-	-
1	50%	Earnings <£115.38
2	32%	£115.39 - £184.61
3	20%	£184.62 - £253.84
4	15%	£253.85-£323.07
5	10%	£323.08-£392.30
6	5%	£392.31-£461.53
7	0%	£461.54 and above

2.42 In addition, we are proposing to make the following change to the current scheme:

- Remove section 13.2 ‘Net Universal Credit Earnings’ Means any earnings defined by the secretary of state for work and pensions prior to any earnings allowance. For the sake of clarity net universal credit earnings are calculated by reducing the gross earnings during the universal credit assessment period by any tax, national insurance and 50% pensions contributions assessed by the secretary of state for work and pensions. By removing paragraph 13.2 it means for UC customers we can use the level of earnings that the DWP have used to calculate UC which is beneficial to residents.

2.43 All other parts of the existing scheme will remain unchanged.

## Impacts

2.44 The consultation engaged with stakeholders to capture the potential impacts of the proposed changes. This information fed into an Equality Impact Assessment which is set out in Appendix C to this report.

2.45 The modelling that has been carried out is a reasonable indicator of which households may potentially be impacted. It should however be recognised that it is modelling so the impacts are only estimates based on caseload as it is in October 2025. The caseload is expected to change by the time the scheme would go live in April 2026. The modelling is also based on current Council Tax and Benefit rates. Any future changes to CTS households such as income or Council Tax are not currently known and therefore cannot be factored into the modelling.

2.46 Table 6 below sets out the number of households who will be impacted by the proposal set out in this report. Households will only see a reduction to the amount of CTS they receive; none will see an increase because of the proposed changes:

Table 6 – Households Impacted by the Proposal by Band

<b>CTS Household by Type</b>	<b>Weekly income</b>	<b>Number of Households</b>	<b>Average Reduction in CTS</b>
Working Age - Non-Passported – Other	Not working – 70%	3,605	£161.29
Working Age - Passported – Other (Passported means there is entitlement to CTS because of other benefits claimed)	Not working – 70%	426	£152.56
Working Age – Non-Passported – Working income band 1	Less than £115.39 – 50%	324	
Working Age – Non-Passported – Working income band 2	£115.39 - 184.61 – 32%	305	£150.90
Working Age – Non-Passported – Working income band 3	£184.62 - £253.84 – 20%	678	£200.02
Working Age – Non-Passported – Working income band 4	£253.85 - £323.07 – 15%	531	£126.73
Working Age – Non-Passported – Working income band 5	£323.08 - £392.30 – 10%	371	
Working Age – Non-Passported – Working income band 6	£392.31 - £461.53 – 5%	217	
		6,453	

2.47 Only limited data is held in respect to some protected characteristics within the Benefits processing system. The consultation therefore sought to understand whether there are potentially groups with protected characteristics who could be adversely impacted and what these impacts might be.

2.48 Under the proposal, 5,545 of the 6,466 working age CTS households will have to pay more toward their Council Tax than they do currently. It is recognised that this could be difficult for some households, so consideration has been given to mitigations for the most in need:

- The Council proposes continuing the CTS Hardship Fund at a reduced level of £0.175m in 2026/27 funded by the Crisis and Resilience Fund to provide additional financial assistance to households who experience extreme financial

difficulty and are unable to pay their full Council Tax charge. Of the £0.350m allocated in 2025/26 to the fund £66,315 has been awarded as at the 31 December 2025. This will be kept under review and will inform a decision on the CTS scheme for 2027/28.

- Debt and Welfare advice to assist households in managing their finances e.g., through a benefit check.
- The Council also has an enforcement policy which considers the individual needs of a debtor.
- The government has announced that the Household Support Fund will now become the Crisis and Resilience Fund (CRF) from the 1 April 2026. As stated above the fund will continue to support households who may be impacted by the cost-of-living increases. Many of these households will be in receipt of CTS and could therefore receive additional support such as towards food or energy costs through vouchers.
- DHPs will come to an end in England on 31 March 2026. From 1 April 2026, DHPs will be replaced by the Housing Payment strand of the CRF. The Housing Payment will closely replicate existing DHP guidelines and will continue to support people in receipt of housing costs who are struggling to manage a shortfall in their rent or housing support. These households may be impacted by restrictions to benefits such as the Benefit Cap and therefore find it more challenging to pay additional Council Tax. Assessment of Crisis and Resilience Funds applications will consider the income and expenditure for the household so will take into consideration any extra Council Tax charge resulting from the proposed changes.

### **3. Implications of the Recommendation**

#### **3.1 Financial implications**

- 3.1.1 The Council remains under the intervention of the Secretary of State for Housing, Communities and Local Government due to it having failed to meet its best value duty or demonstrate that it can become sustainable and resilient without exceptional financial support. This requires the Council to live within its means and consider ways of driving down costs. The Council currently has one of the most beneficial CTS schemes within Berkshire and many other councils in the local area and statistical neighbours. The Council has a duty to be responsible and provide a comparable contemporary offer. With the financial pressures to deliver a balanced budget in 2026/27, the Council must look at all options, including reducing support provided under the CTS scheme.
- 3.1.2 Reducing the cost of the CTS scheme is one of several options being considered to help close the budget gap for the coming year. The proposed CTS scheme will result in an estimated gross reduction in scheme's expenditure of £0.872m a year from 1 April 2026. Due to 17% of savings being passed onto preceptors, this would result in a gross saving of £0.724m.
- 3.1.3 To mitigate the impact the hardship fund will continue, albeit at a reduced amount in 2026/27 to support claimants who may experience extreme financial hardship. It is proposed that £0.175m of the Crisis and Resilience Fund is used to fund this

expenditure in 2026/27. This will be kept under review and will inform a decision on the CTS scheme for 2027/28.

### 3.2 Legal implications

- 3.2.1 Paragraph 5 of Schedule 1A to the Local Government Finance Act 1992, (the '1992 Act') as inserted by Schedules 4 to the Local Government Finance Act 2012, requires the authority to consider whether, for each financial year, the CTS scheme is to be revised or replaced.
- 3.2.2 Where the scheme is to be revised or replaced the procedural requirements in paragraph 3 of schedule 1A of the 1992 Act applies. Any revision/replacement must be determined by 11 March in the preceding year to the year which the changes are to apply.
- 3.2.3 Having decided that the scheme needs to be changed, the Council must consult with preceptors, publish a draft scheme and the consult with such persons who are likely to have an interest in the operation of that scheme prior to determining the scheme before 11 March. The Council has consulted interested parties, including those currently in receipt of CTS and representative bodies. Case law has confirmed that when determining whether to change policy, the Council must be receptive to reasonable arguments against the proposals, however this does not simply involve a head count of those for and against the proposals. In the case of withdrawal of support, it will not be surprising if several respondents are against the proposal. The Council must take these views into account and must balance this with other relevant information to decide whether to approve a change in the scheme.
- 3.2.4 When making policy decisions, the Council must consider all relevant material, including financial resources, consultation responses and potential equality impacts in order to reach a decision. This report presents a recommended new scheme, alongside alternative options, with reasons why these are not recommended. This does not preclude members from recommending or deciding that another option is the most appropriate way forward but if this reduces the savings to be made, members will need to consider an alternative way of delivering these savings.
- 3.2.5 As the proposed revision to the scheme reduces a reduction to which a class of person is entitled, paragraph 5 of Schedule 1A of the 1992 Act requires that the revision must include such transitional provision as the Council sees fit. Whilst the Council has not proposed any transitional provision in the scheme itself, it has proposed other support which is intended to support some applicants as a means of mitigating the impact of the changes.
- 3.2.6 Pursuant to section 67(2)(aa) of the 1992 Act, the making or revision of a CTS scheme is a function to be discharged only by the authority, i.e., by full Council.

### 3.3 Risk management implications

- 3.3.1 The following key risks should be considered when agreeing the recommendations to this report:

<b>Risk Description</b>	<b>Mitigations</b>	<b>RAG</b>
Proposed changes do not deliver level of financial savings	Benchmarking has taken place and assumptions made on collection levels. Funding put into CTS Hardship Fund to support with transitional arrangements and provide temporary support.	Amber
Cabinet/Council does not agree policy change	Members briefed to understand the impact and risks to budget setting and MTFS and legal duties in relation to budget setting and best value.	Amber
Risk of successful challenge to SBC CTS scheme following changes agreed	Advice sought from Legal on fair decision-making process, including consultation process and scheme design to reduce or mitigate risk of any potential challenge via Judicial Review.	Green
Risk to Council Tax collection rates and impact on Council Tax payers	Hardship fund in place to help mitigate impact for those experiencing financial hardship and unable to pay and assumptions made to reduced collection rate for certain households.	Green

### 3.4 Environmental implications

3.4.1 There are no direct environmental impacts anticipated from the recommendations contained within this report.

### 3.5 Equality implications

3.5.1 Decision makers should have due regard to the public sector equality duty in making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome. Consideration of the duties should proceed any decision. It is important that Cabinet and Full Council has regard to the statutory grounds in the light of all available material such as consultation responses. The statutory grounds of the public sector equality duty are found at Section 149 of the Equality Act 2010 and are as follows:

3.5.2 A public authority must, in the exercise of its functions, have due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard to the need to:

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
- Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.

- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take into account of disabled persons' disabilities.
- Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - Tackle prejudice, and
  - Promote understanding.

3.5.3 Compliance with the duties in this section may involve treating some persons more favourably than others, but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act. The relevant protected characteristics are:

- Age
- Disability
- Gender reassignment
- Race
- Religion or belief
- Sex
- Sexual orientation
- Marriage and Civil Partnership

3.5.4 An EQIA has been carried out, which is attached as Appendix C to this report. The highlighted findings of the EQIA are set out below. The impacts are mitigated against by the proposals in this report.

3.5.5 The Council will keep the impact under review during the implementation of the scheme and use this information to inform whether revisions should be made to the scheme in future years.

It should also be noted that where characteristics cross over, impacts for one group could also affect another for example a household with children and a disabled person could be affected by the types of impacts listed under both the Age and Disability protected characteristics.

## Sex

3.5.6 The consultation results showed that only 27% respondents who provided their Sex were male. This is a lot lower than Sloughs male/female population figures show. However, out of this 22.73% declared they were not working and 68.18% working.



- 3.5.7 The consultation results showed that 60% respondents who provided their Sex were female. This is a lot higher than Sloughs male/female population figures show. Out of the respondents, 44.90% declared they were not working and 50% declared they were working.
- 3.5.8 The modelling did not provide a breakdown on Male/Female. However, based on the actual caseload the modelling showed us that at present 62.34% were not working and 37.66% were working.
- 3.5.9 Under the new scheme both sexes will be worse off and potentially no change to either sex. However, based on the consultation females with children is much higher than what males declared. The breakdown of lone parents was also much higher in females than males. All of this would suggest that females will be impacted more by the changes than males.

#### Race

- 3.5.10 It is not possible to identify the household types to give an average forecast level of loss for ethnic groups.
- 3.5.11 If they are part of a larger family, they may be managing a combination of other restrictions to benefits such as the Benefit Cap so may have a proportionately lower income than households with 1 or 2 children. The current caseload does identify that there are at least 953 households with 3 or more children. It is reasonable to expect that some of these households will be made up of different ethnic groups.
- 3.5.12 The population of Slough is very mixed, and this does include people of all ethnic groups.

#### White

- 3.5.13 Modelling does not provide any data on this and neither does our Live caseload as it is not a requirement to list it on each case on the benefit system. Looking at the consultation, the largest group of respondents were White British at 33%. Out of this figure 55.55% were not working with only 38.89% of respondents declaring they work. The other White ethnic groups make up Irish, Polish, Romanian and Other account for 8.59%. Out of these 64.29% are working and 35.71% are not working.

#### Mixed Multiple ethnic groups

- 3.5.14 Modelling does not provide any data on this and neither does our Live caseload as it is not a requirement to list it on each case on the benefit system. Looking at the consultation, this ethnic group only counted for 2.45%. Out of this figure 100% are not working and 0% are working. All members of this group will be worse off under the new scheme.

#### Asian/Asian British

- 3.5.15 Modelling does not provide any data on this and neither does our Live caseload as it is not a requirement to list it on each case on Academy. Looking at the consultation, this ethnic group accounted for 23.31%. The current breakdown of Slough population lists this ethnic group as the largest. Based on the consultation, the breakdown was 47.37% were not working and 47.37% were working. As 5,545

of the 6,466 households will be worse off we would expect this ethnic group alongside 'White' to be the biggest number of people hit by the changes.

#### Black/African/Caribbean/Black British

3.5.16 Modelling does not provide any data on this and neither does our Live caseload as it is not a requirement to list it on each case on the benefit system. Looking at the consultation, this ethnic group accounted for 4.29%. Out of this figure 42.86% were not working and 28.57% were working.

#### Gypsies/travellers

3.5.17 No data is held for this ethnic group either on the modelling, Live caseload, or consultation.

#### Other Ethnic group

3.5.18 Modelling does not provide any data on this and neither does the Live caseload as it is not a requirement to list it on each case on Academy. Looking at the consultation, this ethnic group accounted for 1.23% and was evenly split at 50% each for not working and working. Under the current scheme all people in this group will see their CTS reduce.

#### Disability

3.5.19 The consultation had 55% not declaring any disability and 45% have declared themselves as having a disability. 51% have stated they are in receipt of a disability benefit. Out of the 51% figure 21.95% are working and 70.73% are not working. This differs significantly from our Live case load as we have calculated that 35.51% are in receipt of a Disability Benefit. This is higher than our Live case load as we have calculated that 35.51% are in receipt of a Disability Benefit. Out of this figure 21.95% are working and 70.73% are not working.

3.5.20 Financial hardship was cited as an impact of the changes to the CTS scheme. This could be exacerbated due to existing hardship and poverty because of the cost of living.

3.5.21 Financial hardship could result in households making decisions about whether to pay council tax or pay for other bills such as rent, heating or food, or going into debt.

3.5.22 Non-payment of other bills can have a detrimental effect on people such as increasing the risk of homelessness, impacting on health due to mould in a cold, damp home, or poor diet. Mental health can also be impacted by budgeting concerns.

3.5.23 These types of issues for households who are already experiencing health issues could have a high impact. A household living in a Band E or above property and in receipt of CTS are likely to have higher bills such as to heat a larger property than some properties in lower Bands.

3.5.24 If the household lives in a higher council tax Band because of the need for a larger property, they may be unable to downsize to alleviate this additional financial pressure or if they did downsize, they may be overcrowded.

3.5.25 A disabled household may need a larger property to help with the disability for example an extra bedroom for a carer. There is a disabled band reduction scheme which aims to ensure that disabled people do not pay more Council Tax because they live in a larger property than they would have needed if they were not disabled.

#### Carers

3.5.26 In terms of Carers 46% have declared some form of caring responsibility. 44% have declared themselves as not working and everyone declared they were the primary carer of a child under 18. This set of people in receipt of Carers Allowance may find it more difficult to find work to resolve their financial situation, because of their carer role and so have increased barriers to being able to resolve their financial situation themselves.

3.5.27 A non-dependant may find it harder to access work if they are a carer.

#### Sexual orientation - Lesbian, gay men, bisexual

3.5.28 Modelling does not provide any data on this and neither does our Live caseload as we do not ask this question as part of the CTS application. This group of people only made up for 1.84% however, 66.67% of this group declared themselves as working. 33.33% declared a partner and 66.67% declared children.

#### Age

##### Pension age People

3.5.29 The change to this scheme only applies to working aged people and so pension aged claimants are not affected.

##### Working age people

3.5.30 5,545 of the 6,466 working age recipients of CTS will be affected by the changes to the scheme.

3.5.31 Claimants who are working will be affected as three income bands will see a reduction, Band 2 8%, Band 3 10%, and Band 4 5%. The modelled figure is that the reduction will not affect 912 customers.

3.5.32 Claimants who are not working will see their income band reduced by 10% and this is estimated to affect 4,031. Further on is a table highlighting how much each working age person is estimated to pay in addition on average next year.

##### Younger people 16-25

3.5.33 In order to receive CTS you need to be aged 18 as you cannot be liable for Council Tax under this age. Looking at the consultation only 0% people of the age 18-24 responded with 0% declared themselves as working, however young people will form part of households who are impacted by the changes.

### Children (under 16)

3.5.34 Children aged under 16 whose parents are in receipt of Council Tax Support will be indirectly impacted. Looking at the live caseload, we have managed to establish at least 58.31% have children and at least 41.49% are lone parents. Most cases (74.60%) are 1 to 2 children per household. A disproportionate number of lone parents may not be working and currently receive 80% Council Tax Support and so based on the modelling on average lose up to £161.29 per annum.

3.5.35 It is important to note that once the working age person in a mixed age couple reaches pension age, the CTS claim will move into the pension age scheme, and they will be assessed against a maximum rate of 100%. This impact is therefore only applicable to them for this time.

3.5.36 Based on the Live caseload we have managed to produce a table of the number of children per case.

Table 7 – Breakdown of the number of children per household

Household	Number of cases	Lone parent cases	Couple with children cases
1 child	1,579	1,230	349
2 children	1,220	862	358
3 children	637	360	277
4 children	216	111	105
5 children	65	27	38
6 children	23	10	13
7 children	6	1	5
8 children	4	1	3
9 children	1	0	1
10 children	1	1	0

### Impact due to pregnancy/maternity

3.5.37 We are unable to collate this type of data from the Live caseload and modelling. Based however on the consultation 3.07% have answered yes to being pregnant or having had a baby in the last 12 months. 60% of these are not working and 40% are working. 40% indicated they were lone parents.

### Groups with particular faiths and beliefs

3.5.38 Modelling does not provide any data on this and neither does our Live caseload as we do not ask this question as part of the CTS application.

3.5.39 The largest group of respondents were Christians at 32%, followed by Islam 20.25%, Sikh 3.68%, and Hindu 1.23%. Based on Slough population figures most customers are likely to come from Christian and Islam.

### People on Low incomes

3.5.40 Based on the proposed changes 4,031 non-working customers will have their CTS reduced. They will drop from not having to pay 80% towards their Council tax to now having to pay 30% of their Council Tax charge. On average their CTS will reduce by either £152.56 or £161.29 per year. Below is a table from the modelling to show exactly how much CTS each group will be lost. As you can see at present the biggest loss will be felt by those not working.

<b>CTS Household by Type</b>	<b>Weekly income</b>	<b>Number of Households</b>	<b>Average Reduction in CTS</b>
Working Age - Non-Passported – Other	Not working – 70%	3,605	£161.29
Working Age - Passported – Other (Passported means there is entitlement to CTS because of other benefits claimed)	Not working – 70%	426	£152.56
Working Age – Non-Passported – Working income band 1	Less than £115.39 – 50%	324	
Working Age – Non-Passported – Working income band 2	£115.39 - 184.61 – 32%	305	£150.90
Working Age – Non-Passported – Working income band 3	£184.62 - £253.84 – 20%	678	£200.02
Working Age – Non-Passported – Working income band 4	£253.85 - £323.07 – 15%	531	£126.73
Working Age – Non-Passported – Working income band 5	£323.08 - £392.30 – 10%	371	
Working Age – Non-Passported – Working income band 6	£392.31 - £461.53 – 5%	217	
		6,453	

#### Mitigations

3.5.41 Under the proposal, 5,545 of the 6,466 working age CTS households will have to pay more toward their Council Tax than they do currently. It is recognised that this could be difficult for some households, so consideration has been given to mitigations for the most in need:

- The Council proposes continuing the CTS Hardship Fund at a reduced level of £0.175m in 2026/27 funded by the Crisis and Resilience Fund to provide additional financial assistance to households who experience extreme financial difficulty and are unable to pay their full Council Tax charge. Of the £0.350m allocated in 2025/26 to the fund £66,315 has been awarded as at the 31 December 2025. This will be kept under review and will inform a decision on the CTS scheme for 2027/28.
- Debt and Welfare advice to assist households in managing their finances e.g., through a benefit check.
- The Council also has an enforcement policy which considers the individual needs of a debtor and will consider delaying collection or writing off a debt in appropriate circumstances.
- The government has announced that the Household Support Fund will now become the Crisis and Resilience Fund (CRF) from the 1 April 2026. As stated above the fund will continue to support households who may be impacted by the cost-of-living increases. Many of these households will be in receipt of CTS and could therefore receive additional support such as towards food or energy costs through vouchers.
- DHPs will come to an end in England on 31 March 2026. From 1 April 2026, DHPs will be replaced by the Housing Payment strand of the CRF. The Housing Payment will closely replicate existing DHP guidelines and will continue to support people in receipt of housing costs who are struggling to manage a shortfall in their rent or housing support. These households may be impacted by restrictions to benefits such as the Benefit Cap and therefore find it more challenging to pay additional Council Tax. Assessment of Crisis and Resilience Funds applications will consider the income and expenditure for the household so will take into consideration any extra Council Tax charge resulting from the proposed changes.

#### **4. Background Papers**

None.