

Gloucester City Council – Local Council Tax Support Scheme 2025/26

Introduction

Since 2013, the Local Government Finance Act 1992 has required Gloucester City Council to operate a Local Council Tax Support (LCTS) scheme to help households on low incomes with their Council Tax.

The council is required to design a local scheme by the 11 March in the preceding financial year.

People of pension age have any reduction in their Council Tax assessed under a national framework of rules. However, working age households are assessed under the local scheme rules. The Council's local scheme continues to broadly mirror Council Tax Benefit abolished in 2013; and provides up to 100% for the most vulnerable low-income households.

The scheme is reviewed on an annual basis and updated where it is appropriate to do so in line with local priorities and to reflect changes within the wider Welfare Benefit system.

Legislative requirements

Gloucester City Council's Local Council Tax Support scheme was introduced in April 2013 based on the default scheme set out by the Council Tax Reduction Schemes (Default Scheme) (England) 2012 Regulations.

The Government has also set out rules in the following Regulations:

- Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, which protect claimants of state pension credit age.
- Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) (Amendment) Regulations 2012.
- Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013.

Each year the government amends the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 to ensure that pension age Local Council Tax Support schemes are updated in line with changes in the wider benefits system. The annual update also provides an opportunity to ensure that requirements for accessing both pension age and working age Local Council Tax Support remain consistent with other UK policy changes. Gloucester City Council's local scheme is updated each year to include changes detailed in the prescribed requirements legislation. Changes being applied from 1 April 2025 will be set out in The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2025 and, once published, can be viewed on www.legislation.gov.uk.

Gloucester City Council scheme for 2025/26

Our Local Council Tax Support Scheme for 2025/26 will continue to be based on The Council Tax Reduction Scheme (Default Scheme) (England) Regulation 2012 and The Council Tax Reduction Schemes) (Prescribed Requirements) (England) 2012.

Armed Forces Compensation Scheme

The Armed Forces Compensation Scheme (AFCS) compensates for any injury, illness or death which was caused by service on or after 6 April 2005.

There are 2 main types of AFCS awards:

- A Guaranteed Income Payment (GIP) which is a tax-free monthly payment.
- A tax-free lump sum payment for pain and suffering.

When assessing Council Tax Support for pensioners and working age people the GIP is fully disregarded in the calculation of income.

From 1 April 2025 the lump sum payment will be disregarded as capital for 52-weeks from the date of receipt. The purpose for this is to align the treatment of AFCS payments and compensation payment made through the court for civilians, when assessing Council Tax Support entitlement. A disregard of 52-weeks is intended to give the recipient time to either spend the money or put it in a trust fund (where it can be disregarded).

Some specific provisions have been added to the council's LCTS scheme since April 2013. These provisions remain unchanged and remain present as part of the scheme for 2025/26:

Changes to the scheme from 1 April 2013

- War pensions income - we disregard the statutory £10.00 per week of the War disablement pensions and War widows pensions, and in addition the Council will disregard the remainder of the 'War Disablement Pension' element of a war pension and the 'War Widows pension' element of a war widows pension, when assessing a reduction under the local Council Tax Support scheme.
- Overpayment of a reduction - when we calculate whether we have overpaid a recipient for a reduction under the local Council Tax Support scheme, we will offset any Council Tax Support that would have been due for the same period as the overpayment, had we been aware of the true circumstances of the claimant at that time (this is called 'underlying entitlement').

Changes to the scheme from 1 April 2017

- Restrictions on amounts for children and qualifying young persons – a limit to support no more than 2 children in the applicable amount for Council Tax Support.
- Removal of the family premium for all new claims and those who become responsible for a child (under 16) or young person (under 20) for the first time after 31 March 2017.
- Backdating restricted to 1 month for all working age claims.
- A reduction in the allowable period of temporary absence outside of Great Britain from 14 weeks to 4 weeks.

Changes to the scheme from 1 April 2019

- A change in circumstance that affects Universal Credit entitlements of up to £40 a month will be ignored for the purposes of reassessing Council Tax Support entitlement.

Changes to the scheme from 1 April 2020

- A change in circumstance that affects Universal Credit entitlements of up to £60 a month will be ignored for the purposes of reassessing Council Tax Support entitlement.
- Information provided by the Department for Work and Pensions in relation to an award of Universal Credit may be treated as a new claim for the purposes of determining an award for LCTS.
- To set the start date of any LCTS award in line with the award date of Universal Credit.
- To treat anyone with a UC assessment under UC rules for calculating any entitlement to LCTS and not move households between different elements of the working age scheme.
- To allow the council to substitute its own information for DWP assessed income and capital where it has evidenced the wrong information has been used where doing so would prevent a higher level of LCTS to be awarded than would otherwise be the case.
- To change the definition of a non-dependent person to include all adults in the property, for households who are claiming LCTS with an assessment of Universal Credit.
- To remove the 16-hour condition before a non-dependant change becomes applicable.
- To apply a revised set of non-dependent changes where the non-dependent is working.
- To remove Second Adult Rebate from the Working Age Scheme.
- Withdraw extended payments from the scheme.