

Cabinet – 3 December 2025

Council Tax Support Scheme, Council Tax Premiums, S13A Policy, Discretionary Housing Payments Policy and Crisis Resilience Fund

Purpose	For decision
Classification	Public
Executive Summary	<p>The Council has a Council Tax Reduction scheme to support those on a low income with paying their council tax. The Council has discretion to set a local scheme for working age claimants, with pension age claims being administered in accordance with government regulations. The scheme is reviewed annually and there are no proposed changes from 1 April 2026.</p> <p>From 1 April 2026 the Council introduced a Council Tax Premium of 100% for second homes and reduced the period from 2 years to 1 for applying an Empty Homes Premium of 100% to empty properties. This report provides an update on the application of these premiums.</p> <p>The S13A Policy and Discretionary Housing Payments policy are reviewed periodically to ensure relevance and to take into consideration any changes to government guidance. From 1 April 2026 the government have announced the Crisis Resilience Fund which merges the Household Support Fund and Discretionary Housing Payments to support households and organisations.</p>
Recommendation	<p>That Cabinet agree:</p> <ol style="list-style-type: none">1. The current Council Tax Reduction scheme continues from 1 April 2026 with no proposed changes2. The current application of Council Tax Premiums continues from 1 April 2026 with no proposed changes

	<p>3. The S13A (1) (C) Policy be approved</p> <p>4. The Discretionary Housing Payments Policy be approved.</p>
Reasons for recommendation	To approve the continuation of the Council Tax Reduction Scheme and Council Tax Premiums from 1 April 2026 and S13A (1) (C) Policy and Discretionary Housing Payments Policy.
Wards	All
Portfolio Holder	Councillor Jeremy Heron – Finance & Corporate
Strategic Director	Alan Bethune – Strategic Director Corporate Resources (Section 151 Officer)
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Introduction and background

1. The purpose of this report is to provide an update on the Council Tax Support scheme and council tax premiums from 1 April 2026, and to approve the Discretionary Housing Payments policy and S13A policy, and an update on the Crisis Resilience Fund.

Council Tax Reduction scheme

2. Local authorities are responsible for determining their own local Council Tax Reduction Scheme to support those of working age on low income with paying their council tax. The Government stipulated that there must be no change to the level of support that pensioners receive and there are no plans to localise the scheme for this group. There are currently no plans to include Council Tax Reduction within Universal Credit.
3. There are currently 7,790 claimants receiving Council Tax Reduction. Of these 4,171 are working age and 3,619 are of pensionable age. The current Council Tax Reduction Scheme costs approximately £10 million per annum, with this cost (foregone Council Tax) being shared between all precepting authorities.

4. The amount of Council Tax Reduction awarded affects the tax base of each organisation.
5. A Task and Finish Group conducted a thorough review of the scheme in 2024 for implementation from 1 April 2025. There have been no wider welfare reform changes to consider, and as the scheme has run effectively and efficiently during the current financial year, there are no proposed changes to the scheme from 1 April 2026.
6. The government decision on Local Government Reorganisation (LGR) for the region, expected in the spring of 2026, will give an opportunity to consider scheme alignment to our cluster authorities as we head towards the vesting day of the new council.
7. Therefore from 1 April 2026 the scheme is proposed to be the same as the existing scheme from 1 April 2025.

Council Tax Premiums

8. From 1 April 2025 the Council introduced two Council Tax Premiums, these being:
 - reducing the length of time a 100% premium can apply for long term empty properties from 2 years to 1 year
 - a 100% premium for properties which are furnished and periodically occupied, commonly referred to as "second homes"
9. Government have provided legislation and accompanying guidance that stipulate specific exceptions where a premium cannot apply, some of which are time limited, such as the property is being actively marketed for sale or let, whilst other exceptions are not, such as annexes that form part of a main dwelling, properties where year round occupation is restricted, or those living elsewhere in armed forces accommodation. The Council have not used their discretion to adopt any local exceptions.
10. There are currently 1,120 properties where the "second homes" premium is being applied, with 313 properties which are subject to an exception from the premium.
11. Following successful implementation of the premiums, in accordance with government legislation and guidance, no changes are being proposed for the period commencing 1 April 2026

S13A (1) (c) Policy

12. S13 of the Local Government Finance Act 1992 provides local authorities with discretion to reduce or remit the amount of Council Tax payable. These awards are financed through the general fund,

and are only made in exceptional circumstances, taking into consideration numerous factors. The policy has been reviewed with minor amendments, including reformatting to the corporate template.

Discretionary Housing Payments

13. Local Authorities receive funding from the Department for Work and Pensions each year to award Discretionary Housing Payments (DHPs). DHPs can be awarded to households where there is a shortfall between the rent a landlord is charging and the amount of Housing Benefit or the housing element of Universal Credit being awarded, and the shortfall is causing exceptional financial hardship. The policy has been reviewed with minor amendments, including reformatting to the corporate template.
14. DHPs are actively promoted, both internally and externally with our partners, to ensure the funding is fully allocated so that as many households as possible are supported. Support with making an application is given to vulnerable households, with phone calls to applicants to resolve any queries, to ensure a timely decision. However, this fund will merge into a new Crisis Resilience Fund in the future.

Crisis Resilience Fund

15. The government have announced that from 1 April 2026 Discretionary Housing Payment and the Household Support Fund will be merged into one scheme, the Crisis Resilience Fund. The Department for Work and Pensions have consulted with stakeholders, including Local Authorities and third-party organisation to co-design a future scheme.
16. The purpose of the new scheme is to:
 - Provide **emergency financial support** to households in crisis
 - Support **preventative measures** to build long-term financial resilience
 - Reduce reliance on **emergency food parcels** and other short-term aid
17. However, as consultation and scheme developments continue, there will be a phased approach, with the Discretionary Housing Payment element and funding remaining ringfenced until 31 March 2028 and will continue to be administered by Local Authorities.
18. Funding for the residual Crisis Resilience Fund will be allocated to Unitary/Upper Tier authorities, i.e. Hampshire County Council, and we await details of our involvement in the scheme from 1 April 2026. We will continue to work collaborate with our local partner organisations to signpost and support vulnerable households.

Corporate plan priorities

19. The Council Tax Support scheme and Discretionary Housing Payments Policy support our key priorities of our Corporate Plan by supporting low-income households.

Options appraisal

20. The Council could opt to make changes to its Council Tax Reduction Scheme or to the application of Council Tax premiums. As outlined within the report, the current schemes are considered to be appropriate and proportionate at this time and so no alternative options have been presented for consideration.
21. The Department for Work and Pensions are due to produce guidance on the new Crisis Resilience Fund, and we will be working with Hampshire County Council to provide input, support and any resulting administrative requirements of a scheme. If scheme and policy discretion is given to Local Authorities a report will be brought through to the Scrutiny Panel for discussion and recommendation.

Consultation undertaken

22. The report was considered by the Resources and Transformation Panel Overview and Scrutiny Panel on 20 November 2025. The Panel supported the recommendations to Cabinet.

Financial and resource implications

23. As there are no proposed changes to the Council Tax Reduction scheme for 2026/27 there are no subsequent financial implications.
24. As there are no proposed changes to the application of Council Tax premiums for 2026/27 there are no subsequent financial implications.
25. Any amounts granted under S13A (1) (c) are normally financed through the Council's general fund and do not form part of the collection fund. Any awards are only made in exceptional circumstances and with consideration given to the interests of local taxpayers.
26. Awards of Discretionary Housing Payments are fully funded by the Department for Work and Pensions who provide Local Authorities with an annual fund. For 2025/26 our allocated funding is £203,218, which is expected to remain for 2026/27 and 2027/28, and every effort is made to ensure the full amount is distributed. This includes active promotion and working collaboratively with our partners, both internally and externally.

27. Should the Council receive any funding from the Crisis Resilience Fund, existing resources will be used to administer and distribute funding in accordance with agreed policy.

Legal implications

28. The Local Government Finance Act 1992 states that all local authorities must have a Section 13A policy and have a Council Tax Reductions scheme for working age households, so this report ensures compliance.
29. The Levelling Up and Regeneration Act 2023 updates section 11B of the Local Government Finance Act 1992 which enables Local Authorities to make a determination on applying a premium of properties that are furnished and periodically occupied.
30. The legislation covering Discretionary Housing Payments is the Discretionary Financial Assistance Regulations 2001. The policy review gives full regard to the updated Department for Work and Pensions Guidance Manual for Discretionary Housing Payments and demonstrates our proactive and collaborative approach to supporting households.

Risk assessment

31. There are no risk assessments required.

Environmental / Climate and nature implications

32. There are no environmental or climate and nature implications arising from this report.

Equalities implications

33. Our Council Tax Reduction scheme and Discretionary Housing Payments policy continues to support those on a low income and protects vulnerable households. Proactive steps are taken to promote and maximise take-up, including working with partners, as well as to provide additional advice and support where appropriate, for example the availability of local support, such as food larders and debt advice, and benefit entitlement, to ensure a holistic approach is taken. Opportunities are provided at in person drop ins, via phone or online to discuss the schemes with officers

Crime and disorder implications

34. There are no crime and disorder implications arising from this report.

Data protection / Information governance / ICT implications

35. Personal records are held on corporate databases in accordance with data management principles. There are no further data protection, information governance or ICT implications arising from this report.

Conclusion

36. The Council's Council Tax Reduction scheme and Discretionary Housing Payments policy continues to support those on a low income with their Council Tax and rent, and are proactively promoted through collaborative working relationships. The new Crisis Resilience Fund will introduce a new focus on providing support and resilience to households and we await full details before actively administering.

Appendices

Appendix 1 - S13A Policy
Appendix 2 - Discretionary Housing
Payments Policy

Background Papers:

There are none