Committee	Cabinet
Date and Time	18th November 2026 Public

Council Tax Support, proposed changes 2027-28 consultation responses

Cabinet Member:	Councillor Roger Evans – Portfolio Holder for Finance
Lead Director:	Duncan Whitfield, Section 151 Officer
Service Area:	Revenues and Benefits
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Electoral Divisions Affected	All
Key Decision?	Key Decision
Cabinet Forward Plan	Yes – 24th August 2026
Report considered by	

1. Purpose of Report

1.1. For Cabinet to consider responses to the six-week public consultation on the proposal to disregard child benefit as an income in the Council Tax Support calculation for working age claimants at an estimated cost of £800k (78% of the cost to Shropshire Council and 22% to precepting authorities) in 2027-28 and decide whether to agree this change subject to full Council approval in December 2026.

2. Recommendations

2.1. Consider the responses received to the statutory consultation.

2.2. Agree the following changes to the Council Tax Support scheme with effect from 2027-28 subject to formal approval by full Council on 10 December 2026.

- Retain the current tapered scheme with the following adjustments
- Disregard Child Benefit as an income at an estimated cost of £800k per year
- Retain current minimum payment and maintain current protections for vulnerable groups
- Continue to support those impacted by 20% minimum payment with a top up from the Crisis Resilience Fund as follows
  - 2026-27 (current year) up to £80
  - 2027-28 – up to £90
  - 2028-29 – up to £100

3. Background

3.1. Cabinet considered the proposal to change the Council Tax Support scheme to disregard Child Benefit as an income on 9 September 2026.

3.2. There is a legal requirement to consult in relation to any changes to the Council's Council Tax Support scheme.

3.3. A public consultation ran from 10 September 2026 to 22 October 2026. The consultation questions were approved by Cabinet on 9 September 2026 and are at **Appendix A.** Responders were asked whether they agreed with the proposal to disregard Child Benefit as an income in its calculation of Council Tax Support.

3.4. Town and Parish Councils were also advised of the consultation. Subsequently they were advised of the marginal impact of the proposed change on their taxbase.

3.5. The consultation was promoted via the Council's social media platforms. Also, the following were contacted directly to raise awareness.

- Voluntary sector advice groups
- Housing Associations

3.6. The two major precepting authorities (Police and Fire Authority) have been contacted more recently following the running of the taxbase reports in early October and advised of the potential impact on the overall taxbase. Any further responses from them will be fed back and referenced in the taxbase report in December 2026 if appropriate.

3.7. The Council received 385 responses to the public consultation. A summary document of the responses is at **Appendix B**.

3.8. 227 (59%) opposed the proposal. 147 (38%) supported the proposal. 10 (3%) were unsure. 1 responder failed to answer the question.

3.9. **Main reasons given in support of the proposal**

- Child Benefit is intended for children
- Cost of living and child poverty
- Fairness and consistency
- Direct personal impact
- Wider disregard requests

3.10. **Main reasons given in opposition**

- Affordability and Funding
- Child Benefit is income
- Perceived unfairness to other households
- Priority to other services
- Work incentives and personal responsibility
- Scope and Precedent

4. Summary of Main Proposals

4.1. Alternative proposals were considered by Cabinet on 9 September 2026.

4.2. At the meeting on 9 September 2026, Cabinet were presented with alternative proposals to continue with a tapered means tested Council Tax Support scheme or consider a banded scheme.

4.3. It was agreed to continue with a tapered scheme and to consult on adjusting the current tapered scheme to disregard Child Benefit as an income within the assessment for working age claimants.

4.4. Cabinet were minded of the current cost of living crisis now being exacerbated by fuel and other inflationary pressures and the negative impact of not disregarding Child Benefit particularly for low income working age families.

5. Alternative Options

5.1. Alternative options for the Council Tax Support scheme were considered by Cabinet on 9 September 2026.

5.2. The consideration now is to agree to the current proposal to disregard Child Benefit as an income for working age claimants in the Council Tax Support scheme which is an estimated cost of £800k per year following the outcome of the public consultation.

5.3. While the consultation responses overall, do not support the proposal the following should be taken into consideration in forming a decision:

- Most Councils continue to disregard Child Benefit in their local Council Tax Support schemes.

- Child Benefit was disregarded as an income in the national Council Tax Benefit scheme (which was abolished in 2013) and this proposal is to reverse

Shropshire Councils decision in 2013 to no longer disregard Child Benefit when it first developed its local Council Tax Support scheme.

- Child Benefit continues to be disregarded in other welfare benefits such as Housing Benefit.

- Some people who opposed the proposal stated that the proposal was not fair to other households such as single people, couples without children, working families above benefit thresholds and pensioners. It should however be noted that there are other factors that impact the applicable amount for other households and other income disregards and deductions that feed into the overall assessment of need. It should also be noted the proposed additional support for all claimants impacted by the 20% minimum payment from the Crisis Resilience Fund. Also, pensioners continue to have their Council Tax Support assessed against a continuation of the former Council Tax Benefit rules which provides more generous assessment rules.

- While Child Benefit is an income, it is not means tested until income exceeds £60k and is designed to provide support to children.

- The Council's Welfare Team (who do not provide support for council tax) currently provides considerable support to financially vulnerable families with children from the Crisis Resilience Fund which evidences why low-income families with children require further support. From April 2026 to September 2026 the Welfare Team supported 237 households with children with a total spend of £147k. The proposed change would go some way to reduce the financial pressure on low-income families with children and reduce child poverty.

- While several comments opposed to this change stated that it was not affordable at this time, and that resources could be diverted to other areas such as roads, social care, waste services, local amenities it should be noted that the overall cost to Shropshire Council is relatively low (£624k), and that providing additional support to low income families through Council Tax Support is a preventative measure in relation to social care need and future cost, and will reduce overall Council Tax collection costs.

- The consultation reflects the views of just 385 residents out of a population of over 330k. Only 227 residents opposed the proposal and this is not considered to be a statistically significant number.

6. Key risks and Opportunities

6.1. The recommended approach will offer additional support to working age families with children. It will also offer continued and tapered increased support to financially vulnerable claimants through the Crisis Resilience Fund.

6.2. This mitigates any current and potential risks to financially vulnerable residents from any potential future Council Tax increases

7. Council Priorities

7.1. Council Tax Support provides support to low-income families with their Council Tax. The proposed change to disregards Child Benefit as an income will provide additional support to low-income families with children. This links to the following Council priorities.

- People live in safe, inclusive places with homes that meet their needs
- Everyone has the opportunity to be healthy and thrive at every stage of life

8. Financial Implications

8.1. The estimated cost of disregarding Child Benefit as an income for Shropshire Council is £624k, and this will need to be incorporated within the MTFP.

8.2. The total Council Tax debit for 2026-27 is £311.5 million. This additional cost represents around 0.25% of the total Council tax debit for 2026-27.

9. Legal and HR implications

9.1. There is a legal requirement to consult in relation to any changes to the Council Tax Support scheme and the Council has undergone a six-week public consultation from 10 September 2026 to 22 October 2026. Major precepting authorities have been advised of the actual impact on the overall taxbase following the running of the taxbase reports in October 2026. The Council has a legal obligation to have a Council Tax Support scheme following the abolition of the national scheme, and the recommendations in this report support that requirement.

10. Electoral Division Implications

10.1. There are no electoral division implications directly arising from this report.

11. Health, Social (including "Child Friendly Shropshire") and Economic Implications

11.1. The proposed change to disregard Child Benefit as an income will ensure that low-income families with children receive additional support with their council tax.

12. Equality and Diversity Implications

12.1. This is continuation of the existing scheme with a beneficial change for resident in receipt of Child Benefit. A full public consultation took place during September/October 2026.

12.2. A competed ESHIA is set out at **Appendix C**

13. Climate Change, Biodiversity and Environmental Implications

13.1. There are not climate change, biodiversity and environmental implications directly arising from this report.

14. Background Papers

14.1. The Council's current Council Tax Support scheme (220 pages) can be accessed from the link below

Shropshire Council - Council Tax Support Scheme-2026-2027-pdf

14.2. This proposed change was considered by Cabinet on 9 September 2026

Council tax Support Scheme - Cabinet 9 September 2026

15. Appendices

Appendix A - Consultation Questions
Appendix B – Summary of consultation responses
Appendix C - ESHIA