

Kent Fire and Rescue Service response to letter on proposed changes to Local Council Tax Reduction Scheme (LCTRS) for 2026/27

Kent Fire and Rescue Service (KFRS) acknowledges receipt of your letter dated 12 August 2025 setting out the Councils intention to consult on proposals to change the current Local Council Tax Reduction Schemes (LCTRS).

KFRS is unable to support the current proposals to increase the maximum discount level (to 90% or 100%) for the lowest income band or to increase discounts in other bands. We also oppose other options under consideration and strongly recommend that the existing scheme be retained for the reasons detailed below, all of which centre on the sustainable funding of essential public services.

Direct Impact on the Council Tax Base and Service Sustainability

The most significant concern for this Authority is the direct and immediate reduction in the overall council tax base that would result from providing higher LCTRS discounts.

As a major precepting authority, our budget for essential services is directly funded by a portion of the total council tax collected. Any reduction to the overall tax base directly translates into a reduction in the available funding for our service or requires a greater increase in the council tax rate for all other taxpayers to compensate.

The consultation has not explicitly acknowledged the degree to which changing schemes for 2026-27 to allow higher discounts will diminish the shared tax base.

Fiduciary Duty to All Taxpayers

This Authority, like the collection authority, has a fiduciary duty to all local taxpayers to ensure efficient financial management and the sustainable funding of public services.

The proposal appears to primarily consider the financial impact on the individual collection authority's budget and the income received from its share of council tax. It fails to demonstrate how this meets the broader fiduciary responsibility to all taxpayers by seeking to maximise the collected revenue required to fund all local services at the lowest possible cost.

By reducing the amount of council tax payable by a category of households, the collection risk and administrative burden are simply shifted, and the cost of the discount is effectively borne by all other taxpayers through a lower overall tax base.

Lack of Comparative Analysis

We note the absence of any comprehensive analysis of LCTRS schemes currently operating in other comparable council areas.

The most common LCTRS schemes across the UK continue to require a minimum contribution from working-age households, often providing discounts in the range of

70% to 80%, in line with current arrangements in this area. The proposals under consideration (90% or 100% discount) would result in a scheme more generous than those in most other council areas. This important context should have been made clear to all consultees, alongside the implicit financial impact on all taxpayers.

Insufficient Evidence on Collection and Administration

The consultation is light on the necessary evidence required for precepting authorities to make an informed judgement:

- **Collection Rates:** No concrete evidence has been provided to show how a higher discount will specifically impact council tax collection rates for LCTRS recipients versus full-rate payers. The assertion that difficulty in paying the existing discounted bill impacts collection needs to be substantiated with data.
- **Administration Costs:** Critical information on the current cost of administering LCTRS and the cost of general council tax collection has not been supplied. Without this, it is impossible for consultees to accurately assess whether the anticipated administrative savings under the new scheme are proportionate to the proposed reduction in the tax base.

Conclusion

Although KFRS formally opposed the County's decision to withdraw its contribution towards the costs of administering the current LCTRS we are unable to support the Councils current proposals to now change the LCTRS, for the reasons set out above. Therefore, KFRS urges the Council to reconsider these proposals.