

## Council tax reduction scheme consultation

Southampton City Council is consulting on proposals around changes to the Council's council tax reduction scheme.

We would like to hear your thoughts on the proposals and any impacts or alternative suggestions you would like us to consider. Now is your opportunity to have your say.

An online version of this questionnaire can be found on Southampton City Council's website at [www.southampton.gov.uk/consultations](http://www.southampton.gov.uk/consultations).

You can also email your consultation feedback or queries to [yourcity.yoursay@southampton.gov.uk](mailto:yourcity.yoursay@southampton.gov.uk).

This consultation closes **Thursday 02 January 2025**.

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### *Background*

#### **What is council tax?**

Council tax is a property-based tax which all householders (both homeowners and tenants) normally have to pay if they're over 18. A full council tax bill is based on at least two adults living in a home (spouses and partners who live together are jointly responsible for paying the bill).

#### **What is council tax reduction?**

If you're on a low income, you can apply for a lower amount of council tax, called a council tax reduction.

The UK Government makes the rules for how much low-income pensioners can have their council tax lowered by. Southampton City Council (SCC) makes the rules for how much low-income, working-age residents of Southampton could get.

At the moment, there are an estimated 111,416 properties in the city, with around 17,853 of these receiving council tax reduction. As of 10 September 2024:

- 11,887 households claiming reduced council tax are working age. The total support given to these households in the form of council tax reductions is over £10m (£10,021,793).
- 5,966 households are pensionable age, i.e. old enough to claim a pension. The value of this support is over £6m (£6,716,164).

The purpose of this consultation is to ask for your views on possible changes to council tax support for low-income, working-age residents: i.e., the council tax support that SCC is responsible for.

The support available for low-income pensioners, decided by the UK Government, will not be affected.

## The proposals

### What changes are being considered?

We recognise the value of council tax reductions to residents on low incomes in Southampton. However, due to our difficult financial situation, we are having to look for savings in lots of areas.

In this consultation we are asking for views on several proposals which aim to simplify and streamline the existing council tax reduction scheme, which we believe would make it easier to manage, ignores small income changes, and improves the customer experience by reducing the amount of notifications people can get. If all the proposals are approved, there are potential savings to SCC of approximately £100,000 a year.

The proposed changes are:

- 1) Changing the non-dependant deductions for working-age claimants and moving to a flat rate of £9.78 per week (uprated annually)
- 2) Removing the second adult rebate for working-age claimants
- 3) Reducing the capital threshold at which working-age residents become ineligible for support from £16,000 to £6,000
- 4) Setting a minimum award of £3 per week for working-age claimants
- 5) Ignoring small income changes for working-age claimants on Universal Credit (UC)

We would like to hear your views on the proposals. Please click through the next few pages to read more about them and let us know what you think.

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### Proposal 1

#### Changing the non-dependant deductions for working-age claimants

A non-dependant is normally any adult who lives with a claimant and is not their partner. Southampton City Council makes a deduction from council tax support based on their income. This is set by the Government for pensioners based on income tiers. Currently the Council chooses to mirror this scheme for working age claimants.

This proposal is to move to a flat rate deduction of £9.78 per week for eligible households, uprated annually. This amount has been calculated by using the average actual cost based on current claimant numbers (716).

This proposal would simplify the administration of the council tax reduction scheme as it would remove the need to check the income of non-dependents in a household. Depending on income levels, some claimants would have a greater reduction than currently received (those on lower incomes) and some would incur more costs than they do currently.

#### To what extent do you agree or disagree with the proposal to change the non-dependant deductions?

- Strongly agree       Slightly agree       Neither       Slightly disagree       Strongly disagree

#### What impact do you feel this may have on you, your business or the wider community?

- Very positive impact       Fairly positive impact       No impact at all       Fairly negative impact       Very negative impact       Don't know

If you disagree, or have any comments, impacts, suggestions or alternatives you feel we should consider, please provide details:

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## ***Proposal 2***

### ***Removing the second adult rebate for working-age claimants***

Second adult rebates are discounts currently given where low income second adults live with an applicant whose income is too high for them to qualify for the main, means-tested council tax reduction scheme. It effectively acts as a replacement for the Single Adult Discount for the applicant. A percentage discount is applied according to the income of the second adult in bands from 25% to 7.5%.

The second adult rebate is calculated where, if there is more than one other adult living in the household, the income of all the other adults is added together.

The proposal is to remove this part of the scheme, a measure that would affect 101 working-age households.

The average change per household would be £437.14 per year. However, if the household needs support with council tax and they are eligible, they would still be able to claim via the main council tax reduction.

**To what extent do you agree or disagree with the proposal to change the non-dependant deductions?**

- Strongly agree       Slightly agree       Neither       Slightly disagree       Strongly disagree

**What impact do you feel this may have on you, your business or the wider community?**

- Very positive impact       Fairly positive impact       No impact at all       Fairly negative impact       Very negative impact       Don't know

**If you disagree, or have any comments, impacts, suggestions or alternatives you feel we should consider, please provide details:**

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***Proposal 3***  
***Reducing the capital threshold at which working-age claimants become ineligible for support***

The current scheme has a capital limit of £16,000. This allows households to hold capital up to this value and retain entitlement to council tax reduction.

The proposal is to reduce this limit to £6,000 for working-age residents. Currently, this would affect 12 households if applied to all working-age households who are not receiving income replacement benefits (not including Universal Credit). Simplifying and streamlining the existing scheme will make it easier to administer.

**To what extent do you agree or disagree with the proposal to change the non-dependant deductions?**

- Strongly agree       Slightly agree       Neither       Slightly disagree       Strongly disagree

**What impact do you feel this may have on you, your business or the wider community?**

- Very positive impact       Fairly positive impact       No impact at all       Fairly negative impact       Very negative impact       Don't know

**If you disagree, or have any comments, impacts, suggestions or alternatives you feel we should consider, please provide details:**

## **Proposal 4**

### **Setting a minimum award of £3 per week for working-age claimants**

The proposal is for all working-age households receiving a discount on their council tax of less than £3 per week will no longer be entitled to a council tax reduction, resulting in their awards being reduced to £0. This means these households would start receiving a full council tax bill. This would affect 269 households, with an average change per household of £98.71 per year.

**To what extent do you agree or disagree with the proposal to change the non-dependant deductions?**

- Strongly agree       Slightly agree       Neither       Slightly disagree       Strongly disagree

**What impact do you feel this may have on you, your business or the wider community?**

- Very positive impact       Fairly positive impact       No impact at all       Fairly negative impact       Very negative impact       Don't know

**If you disagree, or have any comments, impacts, suggestions or alternatives you feel we should consider, please provide details:**

## **Proposal 5**

### **Ignoring small income changes for working-age claimants on Universal Credit**

Currently, every time someone on Universal Credit has a change in income this results in a new council tax and benefit notification being sent. This creates extra administration for SCC and frustrates customers, as some receive multiple notifications often on a four-weekly basis as Universal Credit awards fluctuate.

The proposal is to ignore small changes in income of £3 per week or less for customers on Universal Credit. This would reduce the number of reassessments for these households, as well as provide some stability and so improve the customer experience. Any capacity freed up would be reinvested into preventative work and early intervention with arrears to prevent debt escalating.

**To what extent do you agree or disagree with the proposal to change the non-dependant deductions?**

- Strongly agree       Slightly agree       Neither       Slightly disagree       Strongly disagree

**What impact do you feel this may have on you, your business or the wider community?**

- Very positive impact       Fairly positive impact       No impact at all       Fairly negative impact       Very negative impact       Don't know

**If you disagree, or have any comments, impacts, suggestions or alternatives you feel we should consider, please provide details:**

## About you

**What is your interest in this consultation?** *Please tick all that apply.*

- As someone of working age who currently receives council tax support
- As a resident of Southampton
- As a resident elsewhere
- Someone that works, visits or studies in Southampton
- As a private business
- As a public sector organisation
- As a third sector organisation (i.e. voluntary or community groups or charities)
- As an employee of Southampton City Council
- As a political member
- Other

If other, please specify:

**What is your age?**

- Under 18
- 18 - 24
- 25 - 34
- 35 - 44
- 45 - 54
- 55 - 64
- 65 - 74
- 75+
- Prefer not to say

**What is your sex?**

- Female
- Male
- Prefer not to say

**Is the gender you identify with the same as your sex registered at birth?**

- Yes                                       No                                       Prefer not to say

If no, please write in your gender identity:

**What is your postcode?** *This is used for geographical analysis only and will not be used to contact or identify you.*

**How would you describe your ethnic group?**

- Asian or Asian British
- Black, Black British, Caribbean or African
- Mixed or multiple ethnic groups
- White British
- White other
- Other ethnic group
- Prefer not to say

**Do you have any physical or mental health conditions or impairments, lasting 12 months or more, that have a substantial effect on your ability to carry out day-to-day activities?**

- Yes                                       No                                       Prefer not to say

The following questions are for people responding to the consultation on behalf of a business or organisation only.

**Can the name of your business or organisation be attributed to your response?**

- Yes                                       No

**Can we contact you about your response to this consultation?**

- Yes                                       No

**If yes, please provide us with the following details:**

Business or organisation name:	<input type="text"/>
Contact name:	<input type="text"/>
Contact email:	<input type="text"/>

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***What happens next?***

The consultation closes on **Thursday 02 January 2025**. After this date, all feedback will be analysed and considered before a final decision is made.

Please return completed surveys to:

*Consultations,  
First Floor, West Wing,  
Civic Centre,  
Southampton,  
SO14 7LY.*

Alternatively, please hand completed surveys back to any Southampton City Council-run library.

The information collected about you during this survey will only be used for the purposes of research. We may use it to contact you about this. We will only share your information with other organisations or council departments if we need to. We may also share it to prevent, investigate or prosecute criminal offences, or as the law otherwise allows. Please be aware that any comments given on this form may be published in the report. However, the council will endeavour to remove any references that could identify individuals or organisations. Our Privacy Policy (<http://www.southampton.gov.uk/privacy>) explains how we handle your personal data, and we can provide a copy if you are unable to access the Internet.