

## **Appendix 2**

# **Proposed Change to Nottingham City Councils Council Tax Support Scheme Effective April 2025**

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## 1. Introduction to the Council Tax Support Scheme

Council Tax Benefit, a national scheme, was abolished by the Government in April 2013.

From this time, local authorities in England have been required to operate their own scheme, subject to the Council Tax Reduction Schemes (prescribed requirements) (England) Regulations 2012 (SI 2885) which prescribes elements that must be included within a local reduction scheme.

Persons of pension age must be protected by local Authorities and receive no less Benefit than they received under the Council Tax Benefit scheme.

[The Council Tax Reduction Schemes \(Prescribed Requirements\) \(England\) Regulations 2012](#) as amended prescribe a number of matters which must be included in a scheme and this scheme is to be interpreted and applied in accordance with those regulations. The council has based its Local Council Tax Reduction Scheme for working age persons on [The Council Tax reduction schemes \(Default scheme\) England regulations 2012 SI 2886](#) but has replaced the calculation methodology with one of its own.

The Nottingham City Council Tax Support scheme and amendments between 2013 and 2024 have been based around the original Council Tax Benefit regulations which duplicates much of the original Council Tax Benefit regulations.

As part of the process to amend the local scheme, a consultation exercise with citizens of Nottingham to place between 8 October 2024 to 16 December 2024.

We have taken on board the views and comments from the consultation exercise and this document outlines the scheme of Council Tax Support in Nottingham.

### **Revised features of the scheme after consultation**

The following changes to the current scheme take effect from April 2025 for working age customers:

- the maximum level of Council Tax Support will be based on the liability of a band B property;
- people of working-age (unless specified) will have their Council Tax Support assessment based on **80%** of their net council tax liability;
- the capital limit will reduce to £6,000;
- the minimum weekly award will increase to £5.00 a week;
- a minimum income floor will be introduced for self employed applicants;
- a minimum threshold of **£5** will be introduced in respect of in year changes to entitlement.

## 2. Glossary of Terms

Term	Definition
1992 Act	The Local Government Finance Act 1992
AFIP	Armed Forces Independence Payment
All classes	Classes A to G pension and working age
Affected person	The applicant, official appointed to act for the applicant or person agreed to act for the applicant by the council
Applicant	A person applying for Council Tax Support (CTS)
Application	An application for CTS made in the approved manner
Assessment period	The applicant's income is assessed
Authority (local)	Nottingham City council
Backdating	Requests by a CTS applicant for the commencement of a claim to begin prior to the application date
Capital	Money or other assets singly or jointly held by a person
Child	A person under the age of 16
Circumstances in which a person is to be treated as responsible or not for another	As defined by regulation 7 of the prescribed scheme
Council	Nottingham City Council
Council Tax Payer	Person liable to pay Council Tax on a dwelling
Couple	As defined by regulation 4 of the prescribed scheme regulations
CTS	Nottingham City Council's Council Tax Support scheme
CTR	Nottingham City Council's Council Tax Reduction scheme
Default regulations	The Council Tax Reduction Schemes (Default scheme) England regulations 2012 SI 2886/2012 (as amended)
Designated office	Nottingham City Council may select one or more offices as its designated office for written Council Tax Support claims and notification of changes including but not limited to Nottingham City Councils Benefit office, offices of the DWP, or the office of a hostel or social landlord.

Term	Definition
Dispute	A state where a CTS applicant disagrees with the award of CTS or its refusal
Dwelling	As defined in Part 1 chapter 1 regulation 3 of the 1992 act
Earned income	As defined by schedule 1 of the prescribed scheme regulations for pensioners and chapter 5 paragraphs 51 and 53 of the default regulations
Family	As defined in Part 1 regulation 6 of the <a href="#">The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012</a>
General interpretation of terms in the scheme	As described in <a href="#">The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012</a>
Households	As defined in by Part 1 paragraph 8 of <a href="#">The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012</a>
Income (taken into account)	The income used for the calculation of any award
Living expenses	Food, ordinary clothing and footwear, household fuel, rent or other housing costs including Council Tax
Lone Parent	A person without a partner who is also responsible for and a member of the same household as a child or young person.
Maximum Council Tax reduction	The amount determined by the application of this scheme.
Maximum liability	The band used for calculation entitlement to CTR after any Council Tax discounts or band reductions under the 1992 Act
Non-dependant	Any member of the applicant's household who is not the applicant's partner, dependent child or tenant
Non-dependant deduction	An amount deducted from any CTS award
Overpayment	Any amount of CTS to which there is no entitlement to under then scheme

Term	Definition
Passported Benefits	Income Support, Job Seekers Allowance (income based), Employment and Support Allowance (income related) and Pension Credit (guarantee credit)

Pension Age/ Pensioner	As defined by Part 1 regulation 3(a) <a href="#">The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012</a> . Generally, someone who has reached the qualifying age for state pension credit
Prescribed requirements	CTR schemes (prescribed requirements) England) Regulations 2012 SI 2885 2012 (and as amended)
Qualifying person	As defined in regulation 2 of the prescribed scheme
Remunerative work	As defined by the <a href="#">The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012</a>
Polygamous marriage	As defined in part 1 regulation 5 of <a href="#">The Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012</a>
Single applicant	A person who does not have a partner nor is a lone parent
SSCBA	The Social Security Contributions and Benefits Act 1992
Universal Credit	As defined by section 1 of the welfare reform act
Week	A period of 7 days commencing on a Monday
Work	A person who is either employed or self employed
Working Age / Non-pensioner	As defined by Part 1 regulation 3(b) <a href="#">The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012</a> . Generally, someone who has not reached the qualifying age for state pension credit.

Young Person	A person who falls within the definition of qualifying young person in section 142 of the SSCBA
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### 3. Applications

The procedure for applications applies to all classes (pension and working age) and will follow the prescribed requirements

#### Who may claim

- (a) In the case of a single adult that person
- (b) In the case of a couple or polygamous marriage the person agreed between them or if no agreement has been reached the Council will determine who the applicant shall be.
- (c) Where a person is unable to act, and someone has officially been appointed to act on their behalf, that person can apply. Where there is no official appointment the Council may, upon written request, appoint that person who may then claim. The Council will advise the appointee of their responsibilities. Where the Council has made an appointment, it can revoke this at any time and will accept resignations by appointees after 4 weeks' notice.

#### Time and manner of claiming

Applications must be made either in writing to the Council's designated office(s), electronically (in accordance with schedule 7 part 4 of the prescribed regulations and the council's [electronic collection of data](#) process) through the Council's customer portal or by telephone to the telephone number published for the purpose.

Where a claim has been made for Housing Benefit and the person is also liable for Council Tax at the same address the Housing Benefit claim will be treated as a claim for Council Tax Support.

#### Universal Credit

Where a customer is in receipt of Universal Credit a claim may also be made by notification to the authority of an award of Universal Credit by the Secretary of State for Work and Pensions.

#### Defective claims

Where an application is considered defective by the Council because

- (a) The form is incorrectly completed
- (b) It is not on an approved form
- (c) Information and evidence requested on the form/at the time of the telephone claim has not been fully provided.

The Council will inform the applicant of the defect and allow them one calendar month of being asked to remedy the defect.

#### Withdrawal of claims

Where the applicant does not correct defects in the claim notified to them within the



designated timescales, and the Council has not agreed further time to remedy the defect, the Council will determine that the applicant no longer wishes to claim Council Tax Support.

Where a Housing Benefit claim has been treated as a claim for Council Tax Support the applicant may withdraw their claim within 14 days of receipt of their Council Tax Support decision.

### **Date of application**

The date on which a claim is made at the Council or designated office will be taken in accordance with schedule 8, part 2 paragraph 5 of the prescribed requirements and the council's [electronic collection of data](#) process.

## **4. Evidence and Information**

The requirements for evidence and information applies to pensioners and working age applicants.

### **National Insurance numbers**

The applicant and partner (if present) are required to provide either

- (A) Their national insurance number(s)
- (B) Information to allow the Council to ascertain it
- (C) Proof that an application for a national insurance number has been made with evidence that would allow it to be allocated

This requirement shall not apply in the following circumstances:

- (a) in the case of a child or young person in respect of whom an application for a reduction is made;
- (b) to a person who:
  - (i) is a person treated as not being in Great Britain for the purposes of these Regulations;
  - (ii) is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act 1999; and
  - (iii) has not previously been allocated a national insurance number.

### **Claims and questions arising**

(A) Any person making an application or who is in receipt of a reduction under the CTS must provide any certificates, documents, information and evidence as the Council may require in order to determine initial or ongoing entitlement.

(B) Any requests made under (A) above must be fulfilled within one month of being asked to do so, unless the Council has agreed to an extension before the completion of the initial month.

## **Changes of circumstances**

The applicant must, within one calendar month of a change they can reasonably expect to affect their entitlement, notify the Council in writing, electronically or to the published telephone number.

## **5. Classes of Persons within the Scheme**

### **Classes of persons excluded from the scheme**

The Government has prescribed those persons to be excluded from local schemes. This includes persons not treated as in Great Britain and persons subject to immigration control. These are defined within the prescribed requirements.

Any person falling within the definition are not eligible for a reduction under the Nottingham City CTS scheme.

### **Classes of persons entitled to a reduction under this scheme**

#### **Persons of pensionable age**

The Government has described those persons considered to be of pensionable age within the prescribed requirements.

Any applicant falling under the definition within the prescribed requirements, classes A, B and C, will have any entitlement administered in accordance with the prescribed requirements.

Payments of war pensions, war disablement pensions, war widows' pensions, war widower's pensions and payments under the Armed Forces Compensation Scheme all payments will be disregarded.

#### **Working age persons only**

#### **Classes D and E: Working age, non-protected persons**

The applicant and or partner must:

- Be liable to pay Council Tax, in respect of a property within Nottingham, in which the person is solely or mainly resident.
- Be of working age who has not reached the qualifying age for state pension credit
- Have made a claim for Council Tax Support
- Not be in receipt of Pension Credit
- Not fall within a class of person not entitled to a reduction under this scheme or the prescribed regulations
- Not have capital equal to or in excess of £6,000

#### **Classes F and G: Working age, protected persons**

The applicant and or partner must:

- Be liable to pay Council Tax, in respect of a property within Nottingham, in which the person is solely or mainly resident.
- Be of working age who has not reached the qualifying age for state pension credit
- Have made a claim for Council Tax Support
- Not be in receipt of Pension Credit
- Not fall within a class of person not entitled to a reduction under this scheme or the prescribed regulations
- Not have capital equal to or in excess of £6,000

## 6. Income

For pensioners, income will be calculated in accordance with the prescribed requirements.

For working age customers, earned income will be calculated in accordance with the default regulations.

Where the applicant has unearned income, the following will be taken into account.

- (a) Retirement pension
- (b) Most other State benefits
- (c) Payments made towards the maintenance of the person by their spouse, civil partner, former partner, former civil partner under a court agreement.
- (d) A payment received under an insurance policy to insure against -
  - (1) The risk of losing income due to illness, accident or redundancy or
  - (2) The risk of being unable to make payments on a loan, but only to the extent that payment is in respect of owner occupier payments where an amount has been added for Housing Costs.
- (e) Income from an annuity (other than retirement pension income) unless disregarded for personal injury
- (f) Income from a trust unless disregarded for personal injury compensation or special schemes compensation
- (g) Capital deemed to be income
- (h) Income from subtenants and/or borders
- (i) Income not included above which is taxable under part 5 of the income tax act 2005.

The following incomes are disregarded in the assessment:

- (a) Child Benefit
- (b) Child maintenance
- (c) Disability Living Allowance
- (d) Personal Independence Payment

- (e) Attendance Allowance
- (f) Armed Forces Independence Payment
- (g) War Pension and War Disablement Pension

### **Earnings disregard**

The default regulations on earnings disregards will not be applied to working age claims.

The highest of the following earnings disregards will apply instead.

A £5.00 per week deduction will be taken from earnings for single people

A £10.00 per week deduction will be taken from earnings for couples.

A £20.00 per week deduction will be taken from earnings for carers, people with certain disabilities or are in certain specialist groups'

A £25.00 per week deduction will be taken from earnings for lone parents.

In some circumstances, where at least 16 hours a week are worked, an additional £17.10 per week may be deducted.

No earnings disregards will be applied to Universal Credit cases as the earnings disregards would have already been applied by DWP.

### **Self-employed minimum income floor**

For council tax reduction purposes once you have been self-employed for 12 months and your income is below the UK minimum hourly wage, your council tax reduction will be calculated in one of the following ways:

- for single people and members of couples – hourly minimum wage (25 years +) x 35 hours per week Page 12 of 17
- for lone parents – hourly minimum wage (25 years +) x 16 hours per week

Couples with dependent children where both are self-employed:

- hourly minimum wage (25 years +) x 35 hours per week for one member and hourly minimum wage (25 years +) x 16 hours per week for the other member.

The earnings figures resulting from these calculations will be reduced by the appropriate tax and national insurance amounts.

If your self-employed income is higher than the hourly minimum wage, then we will use your actual income to calculate your council tax reduction.

The self-employed minimum income floor figure will be aligned with the national Living wage on April 1st each year and the tax and National insurance rates used will be those current on the previous day -31st March in the same calendar year.

## **Start-up period**

(A) A start-up period” is a period of 12 months during which the applicant first commenced gainful self-employment, in the 12 months preceding the beginning of the assessment period.

(B) No start-up period will be applied in relation to an applicant where a start-up period has previously been applied in the last five years, whether in relation to the current or previous award.

(C) A start-up period will be terminated if the person is no longer in gainful self-employment.

## **Universal Credit**

Where the person is on Universal Credit the Council will take into account the income used in the Universal Credit calculation unless the Council has evidence that the person has income different to that used within the Universal Credit calculation in which case the Council may at its own discretion use that income in calculating any CTS.

Where DWP have calculated Universal Credit entitlement that includes earned income, no additional earnings disregard will be applied under the local scheme as the DWP would have already applied one.

## **Capital**

Capital is to be calculated for pensioners under the prescribed requirements and for working age under the default regulations and in addition to include any charitable disregarded capital or compensation payments provided for under the prescribed pensioner regulations.

## **Capital limit**

The capital limit for pensioners is as the prescribed requirements, £16,000

For classes D to G there will be no entitlement to Council Tax Reduction where the applicant(s) capital exceeds £6,000

## **7. Non-Dependants**

Non-dependant deductions for Pensioners are as the prescribed requirements.

Non-dependant deductions for working age will match those for Pensioners.

## **Non-dependent deductions**

Non-dependant deductions will not be taken where the customer or partner meet the criteria within the prescribed scheme. (e.g. customer/partner receives DLA or PIP then no non-dependant deduction will be made).

## 8. Students

Pensioner and Working age Students will be administered in accordance with the default regulations unless the contrary is indicated.

## 9. Calculating Council Tax Support

The maximum Council Tax Reduction for classes A to C (pension age) are set out in the prescribed scheme. It is 100% of their Council Tax liability after taking into account any discounts.

### **Reduction of the maximum level of Council Tax Support to the liability of a band B property for working age customers**

The maximum level of Council Tax Support will be based on the liability of a band B property. This means that households in band C-H properties would have their maximum level of CTS calculated at the rate of a band B property.

The maximum level of Council Tax Support is **80%** of their net Council Tax liability.

When calculating Council Tax Support, deductions are made from the maximum level of support:

- (1) Where the person is not in receipt of a passported benefit, and their income is above the applicable amount, a deduction of 20% of the excess income is made from their net level of Council Tax liability as mentioned above,
- (2) Any non-dependant deductions then need to be made.

## 10. Minimum Council Tax Support

For non-pensioner claim no award will be made to an applicant if their entitlement is less than £5.00 per week.

## 11. Date on which awards begin and changes take effect

A person who makes a claim for CTR, and who is determined to be entitled, will be entitled from the Monday following the date on which their claim is made or treated as made unless their liability starts in the week the claim was made. In those cases the award will start from the date they moved in.

### **Backdating**

Backdating for pensioners is applied under the rules of the prescribed scheme.

For working age persons CTS can be backdated for 6 months from the date the request is received.

### **Effective date of change of circumstances**

The effective date of change of circumstances for pensioners will follow the

prescribed scheme.

The effective date of change of circumstances for working age will be from the date the change is effective.

### **Minimum threshold of £5.00 in respect of in year changes to entitlement**

Under the prescribed scheme changes to entitlement, no matter how small, result in the recalculation and issuing of a new council tax bill with reset instalment plans. A change from April 2025 introduces a threshold where reported changes resulting in a small change of entitlement either up or down do not change the level of award or issue a new bill.

## **12. Decisions**

The following applies to pensioners and working age

### **Decision**

The Council will make a determination on properly completed applications within 14 days of proper completion or as soon as possible thereafter.

### **Notifications**

Persons will be notified of the decision on a claim as soon as possible, in other cases the Council will aim to provide a decision within 14 days or as soon as possible thereafter.

### **CTS awards**

Where the Council determines an award of CTS, the person affected will be advised of:

- (A) Their duty to report appropriate changes of circumstances, the consequences of failing to do so and guidance on changes likely to affect entitlement.
- (B) How the CTS will be paid.
- (C) All decisions will inform of the appeals process.
- (D) The right to request a written statement of reasons, within a month.

## **13. Appeals**

The following applies to pensioners and working age

If a person disagrees with the Council's decision in relation to whether there is an entitlement to CTR or the amount of CTR the affected person must write to the Council stating why they believe the decision is wrong.

The Council will consider the appeal and notify the person as to why the appeal is considered unfounded or what steps are been taken to deal with the appeal.

- Where the person remains aggrieved the person may appeal to the Valuation Tribunal.

Information relating to how to appeal to the Valuation Tribunal will be posted on the Council's website.

#### **14. Uprating**

The following items will be increased by the September CPI (or equivalent replacement) each year and applied to CTR calculations the following April.

Earnings disregard

Non-Dependant deductions

Personal allowances