

Appendix 1

Council Tax Support Scheme – Consultation

Report detailing the outcome of the consultation survey regarding the review of The Council Tax Support Scheme.

Length of Consultation 6 weeks

Start date: 8th October 2024

Close date: 16th December 2025

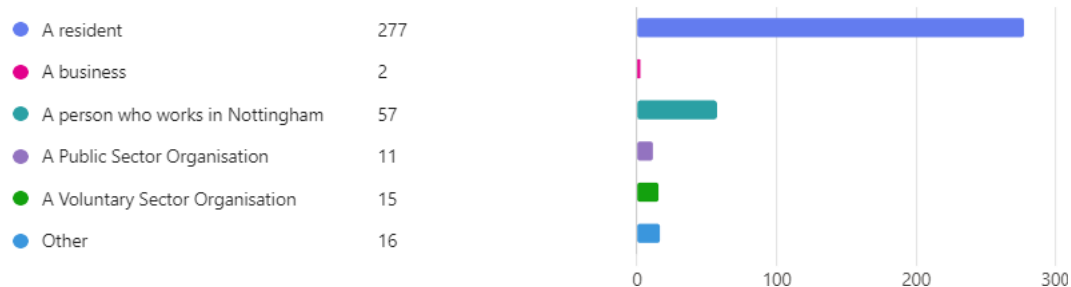
Number of responses: 383

This survey is anonymous. The only information collected is the persons relationship with Nottingham City Council and, whether the person was currently in receipt of council tax support. Feedback was received for 11 proposals based around the review for those who are working age and currently in receipt of council tax support. Written comments were only taken from those who disagreed with the proposal. Due to this a large majority of open text feedback received is negative.

The graph below represents those who participated in the survey and are in receipt of council tax support.



The graph below represents the persons relationship with Nottingham city council.



Of those who responded they are currently in receipt of council tax support, 106 are currently residents of Nottingham city. 3 of them are people who work in Nottingham, 2 identified as 'other' .

The respondents who stated they are businesses (2), public sector organisation (1) and a voluntary sector organisation (1) should be disregarded for the purposes of this question as it is not possible for them to receive Council Tax Support.

Proposal 1:

below is the way the question was formatted on the survey.

Review the level of Council Tax Support for working age claimants It is proposed to review the maximum level of support of 80% for working age claimants not in the proposed protected groups to ensure everyone contributes fairly towards their council tax.

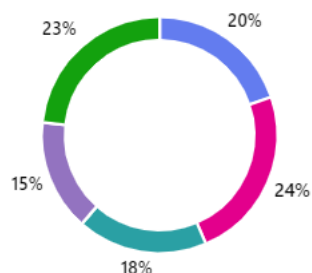
The positives are:

- A reduced level of support will reduce the cost of the scheme helping to maximise the funding available to support essential services.

The negatives are:

- All working age households not in a protected group could receive a reduced level of Council Tax Support.

● Strongly agree	74
● Agree	89
● Neither agree nor disagree	67
● Disagree	57
● Strongly disagree	87



The first proposal received the most varied and even level of responses out of all the questions asked. 144 people either disagree or strongly disagree with the proposal. However, we can see that more people agree with the proposal with 163 people either agreeing or strongly agreeing with the recommended proposal.

From the 144 people that disagreed with the proposal we received 118 comments detailing why. From this data we have received a series of common themes. These are as follows.

1. The proposed change to tax support will only affect those who are already vulnerable.

From those in disagreement there were concerns that by 'Lowering the level of support more people will be in increased poverty'. This is also followed by people concerned about their general wellbeing, many claimed that they are unlikely to survive without council tax support. From this we start to see the second theme arising.

2. Difficulties with benefits and Universal Credit reform.

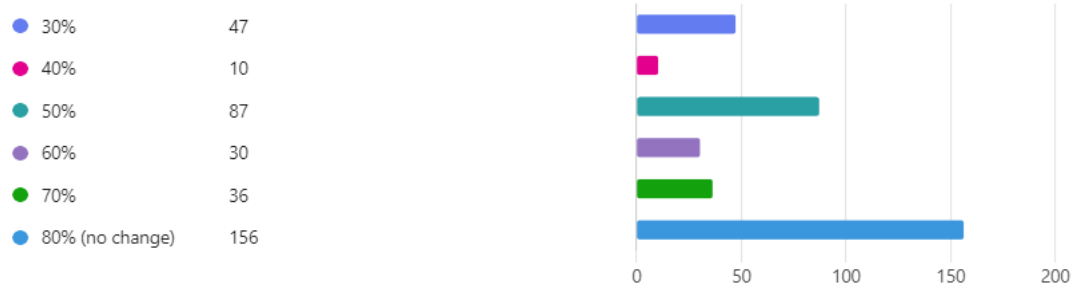
It has been pointed out that people on benefits and Universal Credit already struggle with council tax. With the rise of bills and change towards Universal Credit many people are finding themselves having less money than before the change to universal credit.

3. Largely going to affect those who are in single person households.

Currently due to the change towards universal credit those in single person households without children are struggling as they are on low incomes and cannot claim benefits from having children. There are calls to protect those who are under 25.

These 3 were the major themes seen throughout the responses that were collected however some other points came up. These being a lack of trust in the council as well as the fact the proposal will heavily effect those with disabilities and their carers.

Of those who disagreed with the proposal 40 were currently in receipt of council tax support. And 66 were not. When they were asked what they believe the level of council tax support should change to we received these results.



As can be seen above 43% of people don't believe there should be a change in the level of support received for council tax and that it should remain at 80%. This does however mean that the majority of people agree, that the level of support should be lowered. Of this group there was support for up to a 50 % reduction, however based on an average of the responses they supported an average level of support at circa 65-70%. The mean proposed level of support is 63% and the median proposed level of support is 70%.

Proposal 2

Below is how the proposal was presented to people on the survey.

Reducing the maximum amount to Council Tax Support to that of a band B property

It is proposed to base the maximum amount of Council Tax Support to the liability of a band B property. This is to target Council Tax Support to households living in smaller, less expensive property, so that those living in larger properties do not receive greater levels of support than

those occupying smaller properties.

The positives are:

- There will be no additional impact to the vast majority as 95% of current recipients are in band A & B.

The negatives are:

- Households living in larger/more expensive band C-H properties will only receive the same level of support as households living in smaller/less expensive band B properties.

This proposal received a majority of support with 58% of people agreeing with the policy. This can be seen within the graph below.



However we can still see that 28% of people disagree with the proposal. From this 28% we have received 83 comments over why they were in disagreement. From these comments we found that almost all comments have very similar concerns. There are two themes which especially stand out from the comments collected.

1. People may have larger houses as they may have larger families, this doesn't mean they have larger incomes.
2. The house does not represent the persons income and all circumstances should be considered.

These two themes follow very similar principles, a large number of people agree that just because they have a larger house does not mean they can afford an increase in council tax. The reasons for this are extensive. However, two main themes that occurred were people with larger families and people who have fallen into bad circumstances. People who live in larger houses still may be struggling to pay bills due to potentially reduced incomes. A group that was mentioned a few times were pensioners. As well as people who bought a larger house when it was cheaper and have now lost jobs, gained disabilities or retired. However, these proposals do not impact pensioners as they are covered by the government prescribed scheme.

A large number of these comments were over the fact this will negatively affect those with families as they are likely to have less disposable income to pay off an increased tax.

An issue raised a couple times were the classification of properties and how many new builds are classified as a band C as well as very small properties in the city centre being classified as a band D property. This is a national issue and not something that is in the control of the Council. Any banding review is the remit of central government.

Proposal 3

Below is how we worded the proposal in the survey.

Introducing minimum threshold of £2 in respect of in year changes to entitlement.

Following the move to Universal Credit, real time reporting of income means that some households Council Tax Support is calculated frequently, resulting in rebilling and resetting of their instalment plan.

At the moment any changes to entitlement no matter how small result in recalculation and re billing we propose to introduce a threshold of £2, where any reported changes that result in a change of entitlement of less than £2 per week do not change the level of award or issue a new bill.

The positives are:

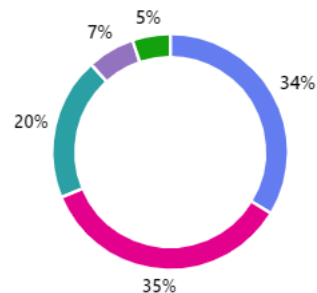
- It will reduce the administrative burden of making large numbers of low value changes to entitlement following small changes in a household's income.
- It will reduce the need to issue multiple council tax bills in year, so households have a clearer picture of their liability and instalments.

The negatives are:

- It is expected that overall, there will be as many households positively impacted by this proposal as negatively impacted.

This proposal received an overwhelming level of support with 253 respondents either agreeing or strongly agreeing with the proposal.

● Strongly agree	124
● Agree	129
● Neither agree nor disagree	72
● Disagree	24
● Strongly disagree	19



Although we see that many respondents agree with the proposal, 12% of the respondents either disagree or strongly disagree. From these 12% we have received 35 responses as to

why they disagree. From these responses there are two very clear themes.

1. £2 is too low of a threshold.

Many responses raised concerns over £2 being far too low. This mostly affecting those who are self-employed, as their income can change drastically monthly. This also affecting those who are contracted, as they do not want to be penalised for working overtime. From these comments many recommend that the threshold should be £5 instead of the proposed £2.

2. Will not aid the council.

The Second theme was concerns over how this will aid the council. Claiming that this was 'Too much Bureaucracy'. From this a few people would like to see how this would help contribute to the council.

From these comments further issues were raised over the stress of the system already. As seen with previous comments some seem to already have stressful times with Universal Credit. However, this proposal received an overwhelming level of support.

Proposal 4

Below is how the proposal was described within the survey.

Continuing to protect families by disregarding Child Benefit and Child Maintenance

In order to protect families, we propose that Child Benefit and Child Maintenance are not counted when assessing a person's income.

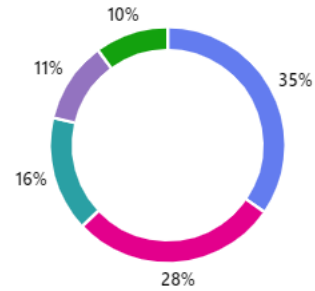
The positives are:

- It will continue to help and support families.

The negatives are:

- Although the proposal could increase the cost of the scheme, there are no negatives for people who qualify for the Council Tax Support Scheme.

● Strongly agree	127
● Agree	104
● Neither agree nor disagree	58
● Disagree	41
● Strongly disagree	37



The above proposal received large amounts of support with 63% of respondents agreeing with the proposal. However, the 21% of people who either disagreed or strongly disagreed all raised very similar concerns. These being:

1. Unfair for single person households and households without children.
2. All income should be taxed.

All comments raised from those who disagree follow the same ideas, that the proposal is unfair. Almost all of the comments are people stating that child maintenance should still be regarded as household income. Most of these arise from respondents complaining that single households don't receive this added income. This group of respondents find it unfair that families will receive this extra level of support. Similar responses were given from those who currently receive child maintenance, but do not receive council tax relief.

Another concern raised was how this could further promote people to have more children and work less. This comes with comments over how people who work do not get part of their income exempt from tax. This is followed with comments that people choose to have children.

However, some feedback would like further additions to be made. For example, people suggest that this shouldn't just apply for children under 18. This being as those who are already struggling still must support their children whilst they are at university. This proposal also raised issues over child maintenance declaration. It is suggested that some single mothers do not declare the child maintenance support to government as it is easier for them. Following on from this issue some separated families do not claim child support but are still on the poverty line.

Although the proposal is heavily supported, those who disagree all agree on a very similar issue. This being that all income should be accounted for. However, from those who disagree they do believe that child benefits should be kept as tax exempt.

Proposal 5

Below is how the proposal was worded to those who participated in the Survey.

Protecting lone parents with children under the age of 5 in order to further protect the families with the least opportunity of increasing their hours of work.

If the level of Council Tax Support for working age claimants reduces. The proposed scheme will protect lone parents with children under the age of 5 by having a maximum entitlement of 80% discount.

The positives are:

- It will continue to help and support families.

The negatives are:

- Although the proposal could increase the cost of the scheme, there are no negatives for people who qualify for the Council Tax Support Scheme.



As can be seen from the graph above, the proposal has received overwhelming support. 66% of respondents agree with the proposal. From the 16% that either disagreed or strongly disagreed we have seen varied responses. The main themes of these responses are as follows.

1. Incentives people to keep having children

This theme showed up a few times with some people concerned that this may act as an incentive for people to keep having children under the age of 5 whilst continuing to declare themselves as lone parents. Some suggesting that for this to work checks would have to be made on families declaring they are lone parents.

2. Unfair for childless people or families with both parents.

Very similar to proposal 4, several people disagreed as they felt it was unfair that only single parents with children under 5 would be receiving tax relief. As well as a number of people complaining that these families are likely to be receiving more income than single people.

After these two common themes we received a variety of other responses. With some disagreeing over the age this should be set too. One comment suggest that this should be lowered to ages of 3-4 as after this they have access to free childcare provisions. After the age of 4 children will have access to pre-school which will allow lone parents greater access to work.

We again received comments about the over complicated nature of this. And how people in these positions find it stressful with the change of circumstances that they have to deal with.

Proposal 6

Below is how we worded the proposal on the survey.

Continuing to protect households with disabilities, by disregarding disability benefits (Personal Independence Payments, Armed Forces Independence Payments, Disability Living Allowance, Attendance Allowance)

In order to continue to protect the most vulnerable, the proposed Council Tax Support scheme will disregard the following disability benefits:

- Personal Independence Payments
- Armed Forces Independence Payments
- Disability Living Allowance
- Attendance Allowance

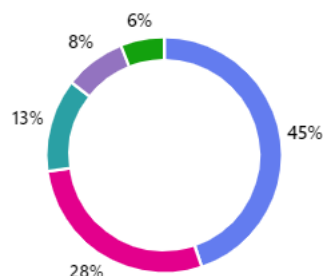
The positives are:

- It will help and support people with disabilities

The negatives are:

- Although the proposal could increase the cost of the scheme, there are no negatives for people who qualify for the Council Tax Support Scheme.

● Strongly agree	165
● Agree	103
● Neither agree nor disagree	47
● Disagree	31
● Strongly disagree	22



This proposal received the most amount of support than any of the other proposals suggested on the survey. This proposal received 73% support. From the 16% that disagreed with the proposal we received very familiar feedback.

1. This is still income.

Very similar to the responses received from proposal 4. A number of people believe it is unfair that they are not taxed as this still counts towards their income. With some saying that it is unfair and that everyone should contribute.

2. Disability does not mean they are unable to work.

14% disagreed with the proposal as they believe that despite being disabled they are still able to work. With some going further saying that in some cases people receive '2k a month' and it is unfair that someone who works and earns '2k a month' is not going to get taxed.

3. Should cover all disabilities

A few suggestions that were raised were over how it is unfair that not all disabilities would be covered under this proposal. Added on to this people suggesting that LCWRA (Limited capability for work related activities) should be added to the list.

Proposal 7

Below is how the proposal was worded within the survey.

Protecting War Pensioners by continuing to disregard War Pensions or War Disablement pensions in full.

The proposed scheme protects certain war pensioners by continuing to disregard the war pension or war disablement pension income in full. This is a continuation of the existing provisions.

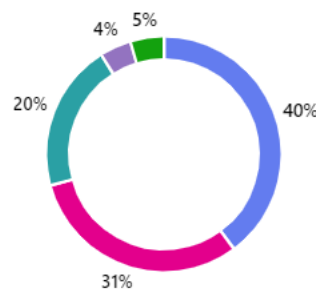
The positives are:

- It maintains the Council's commitment to the Armed Forces Covenant; and the change is easy to put in place.

The negatives are:

- Although the proposal could increase the cost of the scheme, there are no negatives for people who qualify for the Council Tax Support Scheme.

● Strongly agree	147
● Agree	114
● Neither agree nor disagree	75
● Disagree	16
● Strongly disagree	17



This proposal was another one that received huge levels of support with only 9% of people in disagreement. From these we received 22 comments as to why they disagreed with the proposal. These comments again follow similar themes as to ones previously mentioned.

1. All income should be taxed.
2. Discriminates against standard pensioners.

Similar to comments we have previously received, a number of people disagree as they would still declare this as income. They then go on to add that they do not find it fair that war pensioner get special treatment just because they fought in a war. Most comments follow along these lines. As seen previously peoples main concern is over income, as they do not find it fair that one group gets further support than another.

It is important to note that the pensioner scheme is not impacted by these proposals

Proposal 8

Due to a routing error we initially received a lower amount of answers to this question compared to others. Below is how we worded the proposal within the survey.

To protect full time carers from additional cuts by disregarding Carers Allowance.

In order to protect households including full time carers, we propose that Carers Allowance is not counted when assessing a person's income.



As can be seen above a large number of respondents (71%) did agree with the proposal. From those who aren't in favour we have received 17 comments as to why they disagree.

Almost all follow one very similar theme. This being that again, all income is income. People do not find it fair that a persons income is being disregarded. A number of comments that follow this say that carers still earn a fair amount of money and do not find it acceptable that this income is being made tax exempt.

Proposal 9

Below is how the proposal was worded within the survey.

Reducing the capital limit to £6,000

Currently, the capital (savings, stocks, shares, property) limit is £16,000. Only households with less that £16,000 are eligible for Council Tax Support. The Council is proposing to reduce the limit to £6,000. Where an applicant has more than £6,000 in capital they will not be entitled to support.

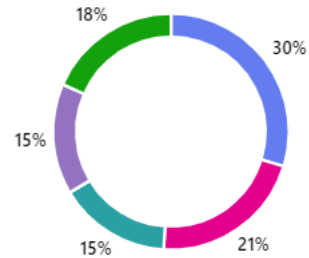
The positives are:

- The £6,000 limit still protects applicants with capital.
- Any savings generated by this change will be used to protect those with the lowest resources.

The negatives are:

- Where applicants have more than £6,000 in capital, no Council Tax Support will be given.

● Strongly agree	108
● Agree	77
● Neither agree nor disagree	56
● Disagree	55
● Strongly disagree	67



For this question we received a much more even level of approval. From those in disagreement we have 89 comments. These comments all follow a very similar issue.

1. The jump from £16k to £6K is too drastic.

A number of people agreed that the threshold potentially should be lowered however they believe that the jump from £16k to £6k to be far too drastic. From this we have seen that a large number of people suggest that this should instead be lowered to £10k. However only if this needs to be lowered, as a number of comments believe that the amount should not be lowered at all.

2. £6k is not a large enough safety barrier for savers.

A large number of comments we received were over the fact that if this is lowered to £6k a large number of people are likely to save less. With people stating that this is likely going to effect their savings. If this does affect their savings then it is likely that they will not have a safety net in times of emergency. A few comments speak about how they live in old buildings, and if they ever have any maintenance issues then it is likely to cost them a lot. This meaning they keep large savings but doesn't mean they have large incomes.

3. 16k in assets does not mean someone is rich

A few comments speak about how although people may have a large amount in assets they may still be relatively worse off. A number of people also make the point that the £16k threshold is too low as it is. With people adding that with the rise in cost of living a lot more people are in difficult positions and although their assets may be high this does not mean they are in stable positions.

A few people also bring to light how this is likely to effect pensioners more than most others. This due to pensioners having larger assets due to the rise in value of property and higher

savings levels. However, this does not mean that they have increased levels of income and are likely to be greatly effected if they are unable to receive Council Tax Support.

Again it is important to note that these proposals do not impact pensioners.

Proposal 10

Below is how we worded Proposal 10 to those who took the survey.

Raise the minimum weekly award of Council Tax Support.

Currently the minimum weekly award of Council Tax Support is £0.50. It is proposed to raise this level to £5 per week. Where an assessment results in a weekly award of less than £5 per week the applicant will not be entitled to support.

The positives are:

- Any savings generated by this change will be used to protect those with the lowest resources.

The negatives are:

- Where applicants would have previous have been entitled to a small award, now no Council Tax Support will be given.



As can be seen above, for this proposal we only have a slight majority of people agreeing with 52% of respondents in support. This proposal only received 80 people in disagreement. From this we have received 66 comments as to why they disagree.

1. 50p to £5 is too drastic a change.

A large number of comments suggest that the jump from 50p minimum to £5 is too drastic. With some raising the issue that with the rise in the cost of living some are unlikely to be able to afford the rise. They then add that if this minimum is raised it should be raised to lower amounts. With some suggesting it should be raised to £1 and others to £4 however a large group of responses agree the rise from 50p to £5 is far too drastic.

2. This will push people into poverty.

A large number of people agree that if people are currently receiving this support then the likelihood is they are receiving it for a reason. Those who are currently on the minimum amount of support are being saved £26 a year. Those who receive £4 support are being

saved £208 a year. With the rise in bills this £208 can mean the difference for someone being on or below the poverty line. For some this may mean whether people are able to buy food that month or not.

Proposal 11

Below is how the Proposal was worded on the survey.

Introducing a Minimum Income Floor for Self Employed Applicants

In order to align Council Tax Support with Universal Credit, the Council proposes to use a minimum level of income for those applicants who are self-employed when assessing entitlement to Council Tax Support. This would be in line with the National Living Wage for 35 hours worked per week (16 hours for lone parents).

The income would not apply for a designated start-up period of one year from the start of the business and the Council would have the discretion to vary or waive the use of this facility in exceptional circumstances or where the Council considers that the applicant is unable to work that number of hours.

Where the declared income is at or above the Minimum Income Floor, the declared income will be used in the calculation of Council Tax Support.

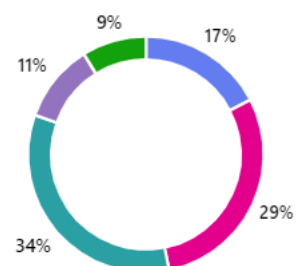
The positives are:

- The change is simple and administratively easy to incorporate within the scheme; and the treatment of income for self-employed claimants for Council Tax Support will be brought into line with those applicants who are self-employed and who are in receipt of Universal Credit.

The negatives are:

- Where a working age applicant is self-employed and continues to run a business where their income is below the national living wage level, the Council will assume they earn at least the minimum level.

● Strongly agree	63
● Agree	107
● Neither agree nor disagree	122
● Disagree	39
● Strongly disagree	32



Unlike for most other questions the largest group of people were people who had no opinion on the matter. This being presented under the group neither agree nor disagree. Due to this only 46% of people agree with the issue and 20% disagree. From this we have received 56 responses as to why people disagree.

1. The Minimum Income Floor already negatively impacts self employed people

A number of people have raised concerns that people struggle to meet the minimum income floor which leaves them to be penalised by Universal Credit. This being as 'Universal credit assumes you meet the minimum income floor.' If Council Tax Support is aligned with this then this will unfairly effect those who are self employed.

2. Many self-employed people with a small business will struggle to meet the minimum income floor.

A large number of people raised concerns over the statement under the negatives section of the proposal. Many people who are classed as self-employed find that they are constantly struggling to meet the minimum income floor. Some are concerned that they will now no longer be receiving Council Tax Support if the systems merge.

From both of these another common theme emerged. Those who are self-employed are already struggling to claim Universal Credit. There are concerns that if the two systems are merged together then they are likely to be put into a lot worse positions. Other issues that were raised were over peoples change in contract status as many people who are employed on short term work are employed on a contracting basis. Due to this they are often classified as self employed, this leads to them earning much lower incomes.