

Council Tax Reduction scheme 2024/25



You can complete this survey online at:

www.ask.bristol.gov.uk/council-tax-reduction-scheme-2024-25

Or return this paper version of the survey using the Freepost envelope supplied.

Please give us your views by **26 November 2023**.



Introduction

Bristol City Council currently provides a Council Tax Reduction scheme that helps people on a low income with up to 100% of their Council Tax costs. This has been done despite the reduction in government funding since the scheme was introduced in 2013 and wider financial challenges to the council since then. Bristol City Council has been one of the few authorities not to reduce support since 2013.

Councillors agreed that the Council Tax Reduction scheme would be reviewed for 2024/25 as part of the council's budget setting process. Changes can only be made to the scheme for working aged people. Pensioners are protected from changes under government rules.

The current scheme costs £43.4 million. This represents 8.9% of the council's total annual revenue budget, which covers day-to-day spending on council services. Of this £43.4 million, working age households collectively receive £30 million of support each year.

What is Council Tax?

Council Tax is a local tax set by the council based on the valuation of a property as of April 1991. Each council is responsible for collecting this tax, which is used to fund local public services such as refuse collection, social services, environmental health, and education. Some of the money, around 15%, is collected on behalf of Avon Fire Authority and the Police and Crime Commissioner for Avon and Somerset.

What is Council Tax Reduction?

Council Tax Reduction helps people on low incomes to pay their Council Tax. The council decides how much households are entitled to for the working age scheme, with central government setting the rules on who can claim and how, as well as protecting all pension aged households.

The current working age scheme provides full support for those who receive Universal Credit but are not working, Income Support, Income Based Jobseeker's Allowance, and Income Related Employment Support Allowance.

It also provides full support for those with income less than the amount the scheme says that they need to live on each week. These amounts vary according to the household's circumstances, whether they have dependent children and young people or get certain disability benefits.

Partial support is provided to households who have more money than the scheme says they need to live on, but not enough money to stop being entitled altogether. The amount of support provided is reduced by 20p for each pound of income that a household has over the amount that the scheme says they need to live on.

The scheme also takes a deduction for other adults who live in the household (who are not the person claiming Council Tax Reduction or their partner). This depends on that person's weekly income and can apply to households who would otherwise get full support. The higher the weekly income that person has, the higher the weekly deduction is that is taken from their support.

You can find a copy of our current Council Tax Reduction scheme on our website at:

www.bristol.gov.uk/residents/benefits-and-financial-help/council-tax-reduction/council-tax-reduction-scheme

You can request a paper copy by emailing **consultation@bristol.gov.uk** or calling **0117 922 2848**.

If you already receive Council Tax Reduction, you can check your entitlement and how it has been worked out by using our online benefit calculator. This is available on our website at: **www.bristol.entitledto.co.uk/home/start** or by calling **0117 922 2300**.

Why are we reviewing the scheme?

Every year, all councils must agree an annual budget which balances the money we spend with the money we are expecting to receive. Councils across the country are facing financial challenges and based on our current forecasts, we face a funding gap over the next five years (to 2027/28) of up to £87.6 million dependent on the severity of factors such as rising costs of fuel, energy, and inflation.

This is in addition to the £34.3 million of savings and efficiencies proposals for 2022-2027 outlined in the 2022/23 budget. You can see the 2022/23 budget on our website:

www.bristol.gov.uk/files/documents/1410-2022-2023-budget-report/file

You can request a paper copy by emailing **consultation@bristol.gov.uk** or calling **0117 922 2848**.

The Council has defined statutory responsibilities, such as homelessness and social services but delivers a far broader range of discretionary services. It is our duty to provide universal services benefiting the whole city, and targeted services aimed at individuals, communities with particular needs, and businesses – administered by our workforce, city partners, stakeholder organisations, and commissioned services. To address the current financial challenges, we must review all our services to find where we can do things differently to reduce costs and be more efficient in how we do things.

Within this context, the budget for 2023/24, agreed by Full Council in February 2023, was on the basis that the current Council Tax Reduction scheme would be reviewed to see if it should be changed or not. It was thought that if any changes were made, it might be possible to save around £3 million, after collection rates and monies collected on behalf of Avon Fire Authority and the Police and Crime Commissioner for Avon and Somerset are considered.

The table overleaf shows a comparison of the forecast costs and savings of each option.

Scheme comparison (annual) (working aged only)

Scheme	Scheme cost (£m)	Net saving (£m)	Working age households affected	Average change (£)
Current scheme 2023/24	30.00	Not applicable	0	0.00
Current scheme 2024/25	31.60	0.00	0	0.00
Option 2a 10% (means tested)	28.10	1.90	22,628	154.83
Option 2b 17% (means tested)	25.70	3.20	22,628	262.31
Option 2c 20% (means tested)	24.70	3.90	22,628	307.98
Option 3a 20% (income protected)	27.90	2.00	11,931	303.29
Option 3b 34% (income protected)	25.50	3.30	11,931	503.47
Option 3c 41% (income protected)	24.60	3.90	11,931	585.36
Option 4a 13% (household protected)	28.10	1.90	20,022	174.81
Option 4b 19% (household protected)	25.70	3.20	20,022	294.68
Option 4c 25% (household protected)	24.70	3.90	20,022	344.62
Proposal 1 (£3.00 minimum award)		0.04	503	83.72
Proposal 2 (Abolish 2AR)		0.06	200	289.64
Proposal 3 (Capital cut-off £6k)		0.22	171	1,287.00
Discretionary Fund (depends on scheme chosen)		(Negative value, dependent upon scheme chose)	Not known	Not applicable

We have also provided example scenarios in the Scenarios document so you can see how the options would affect people with different incomes and household circumstances. If you have completed the consultation previously between 1 August - 25 September 2023, you can submit a new response. Please let us know whether you have responded before in the question below.

Have you responded to the Council Tax Reduction consultation previously?*

Yes

No

There will be a question at the end of the survey where you can indicate whether your new response is different from your previous response.

Proposed options

Option 1 – The current Council Tax Reduction scheme is retained

The council continues to fully fund the Council Tax Reduction scheme. This means almost 23,000 working aged, low-income households would continue to receive the same levels of support as now.

This option would not make any saving. Further funding of £3 million per year would be needed, which would need to be funded by reducing spending on other council services and/or by increasing Council Tax.

Option 2a – All households would pay at least 10% of their Council Tax bills

Every household would pay at least 10% of their council tax bill. This would apply to the 23,000 working aged households who do not need to pay under the current scheme.

The estimated average annual change for each of those 23,000 households would be £154.83 (£12.90 per month).

This option would make a saving of £1.9 million per year. Further funding of £1.1 million would be needed, which would need to be funded by reducing spending on other council services and/or by increasing Council Tax.

Option 2b – All households would pay at least 17% of their Council Tax bills

Every household would pay at least 17% of their council tax bill. This would apply to the 23,000 working aged households who do not need to pay under the current scheme.

The estimated average annual change for each of those 23,000 households would be £262.31 (£21.86 per month).

This option would make a saving of £3 million per year assuming that Council Tax is paid at the expected rate. The council would not need to find additional funding for the scheme from elsewhere.

Option 2c – All households would pay at least 20% of their Council Tax bills

Every household would pay at least 20% of their council tax bill. This would apply to the 23,000 working age households who do not need to pay under the current scheme.

The estimated average annual change for each of those 23,000 households would be £307.98 (£25.67 per month).

This option would make a saving of £3 million per year assuming that Council Tax is paid at the expected rate. The council would not need to fund additional funding for the scheme from elsewhere.

It would also raise a further £900,000 that would be used to provide more targeted support through the discretionary fund.

You can read the full scheme document for further details on schemes 2a, 2b and 2c at bit.ly/CTROption2 or you can request a paper copy by emailing consultation@bristol.gov.uk or calling **0117 922 2848**.

Option 3a – Households receiving certain benefits or payments would be protected from paying a minimum amount of Council Tax. All other households would pay at least 20% of their Council Tax bills

Automatic protection from a reduction in support would be introduced for those receiving certain types of benefits paid for disability or payments to veterans.

The following households would be protected where:

- disability premium applies for the applicant, partner or a dependent child or young person
- support component is in payment as part of an Employment and Support Allowance award
- limited capability for work and work-related activity component is in payment as part of a Universal Credit award
- Disability Living Allowance, Personal Independence Payment, or Armed Forces Independence Payment is in payment for applicant, partner or a dependent child or young person
- a war pension or payment is in payment for the applicant or partner

Over 10,000 working age households would be protected from paying a minimum amount of Council Tax. Around 12,000 working age households would start paying at least 20% of their Council Tax bill.

The estimated average annual change for each of those 12,000 households would be £303.29 (£25.27 per month).

This option would make a saving of £2 million per year. Further funding of £1 million would be needed, which would need to be funded by reducing spending on other council services and/or by further increasing Council Tax.

Option 3b – Households receiving certain benefits or payments would be protected from paying a minimum amount of Council Tax. All other households would pay at least 34% of their Council Tax bills

Automatic protection from a reduction in support would be introduced for those receiving certain types of benefits paid for disability or payments to veterans.

The following households would be protected where:

- disability premium applies for the applicant, partner or a dependent child or young person
- support component is in payment as part of an Employment and Support Allowance award
- limited capability for work and work-related activity component is in payment as part of a Universal Credit award
- Disability Living Allowance, Personal Independence Payment, or Armed Forces Independence Payment is in payment for applicant, partner or a dependent child or young person
- a war pension or payment is in payment for the applicant or partner

Over 10,000 working age households would be protected from paying a minimum amount of Council Tax. Around 12,000 working age households would start paying at least 34% of their Council Tax bill.

The estimated average annual change for each of those 12,000 households would be £503.47 (£41.96 per month).

This option would make a saving of £3 million per year assuming that Council Tax is paid at the expected rate. The Council would not need to find additional funding for the scheme from elsewhere.

Option 3c – Households receiving certain benefits or payments are protected from paying a minimum amount of Council Tax. All other households would pay at least 41% of their Council Tax bills

Automatic protection from a reduction in support would be introduced for those receiving certain types of benefits paid for disability or payments to veterans.

The following households would be protected where:

- disability premium applies for the applicant, partner or a dependent child or young person
- support component is in payment as part of an Employment and Support Allowance award
- limited capability for work and work-related activity component is in payment as part of a Universal Credit award
- Disability Living Allowance, Personal Independence Payment, or Armed Forces Independence Payment is in payment for applicant, partner or a dependent child or young person
- a war pension or payment is in payment for the applicant or partner

Over 10,000 working age households will be protected from paying a minimum amount of Council Tax. Around 12,000 working age households would start paying at least 41% of their Council Tax bills.

The estimated average annual change for each of those 12,000 households would be £585.36 (£48.78 per month).

This option would make a saving of £3 million per year assuming that Council Tax is paid at the expected rate. The Council would not need to find additional funding for the scheme from elsewhere.

It would also raise a further £900,000 that would be used to provide more targeted support through the discretionary fund. An option on discretionary funding and how this might work is later in this survey.

You can read the full scheme document for further details on schemes 3a, 3b and 3c at bit.ly/CTROption3 or you can request a paper copy by emailing consultation@bristol.gov.uk or calling **0117 922 2848**.

Option 4a – Households who are not in work and have a child under five years old would be protected from paying a minimum amount of Council Tax. All other households would pay at least 13% of their Council Tax bills

Automatic protection from a reduction in support would be introduced for households where there is a child under five years old and both the applicant and cohabiting partner (registered as living at the same address) are not working.

Over 2,500 working age households would be protected from paying a minimum amount of Council Tax. Around 20,000 working age households would start paying at least 13% of their Council Tax bill.

The estimated average annual change per household affected would be £174.81 (£14.32 per month).

This option would make a saving of £1.9 million per year. Further funding of £1.1 million would be needed, which would need to be funded by reducing spending on other council services and/or by further increasing Council Tax.

Option 4b – Households who are not in work and have a child under five years old would be protected from paying a minimum amount of Council Tax. All other households would pay at least 19% of their Council Tax bills

Automatic protection from a reduction in support would be introduced for households where there is a child under five years old and both the applicant and cohabiting partner (registered as living at the same address) are not working.

Over 2,500 working age households would be protected from paying a minimum amount of Council Tax. Around 20,000 working age households would start paying at least 19% of their Council Tax bill.

The estimated average annual change for each of those 20,000 households would be £294.68 (£24.56 per month).

This option would make a saving of £3 million per year assuming that Council Tax was paid at the expected rate. The Council would not need to find additional funding for the scheme from elsewhere.

Option 4c – Households who are not in work and have a child under five years old would be protected from paying a minimum amount of Council Tax. All other households would pay at least 25% of their Council Tax bills

Automatic protection from a reduction in support would be introduced for households where there is a child under five years old and both the applicant and cohabiting partner (registered as living at the same address) are not working.

Over 2,500 working age households would be protected from paying a minimum amount of Council Tax. Around 20,000 working age households would start paying at least 25% of their Council Tax bill.

The estimated average annual change for each of those 20,000 households would be £344.62 (£28.72 per month).

This option would make a saving of £3 million per year assuming that Council Tax was paid at the expected rate. The Council would not need to find additional funding for the scheme from elsewhere.

It would also raise a further £900,000 that would be used to provide more targeted support through the Discretionary Fund. An option on discretionary funding and how this might work is later in this survey.

You can read the full scheme document for further details on schemes 4a, 4b and 4c at bit.ly/CTROption4 or you can request a paper copy by emailing consultation@bristol.gov.uk or calling **0117 922 2848**.

1. Which of the following proposed options do you prefer?

- Option 1** – The current Council Tax Reduction scheme is retained
- Option 2a** – All households pay at least 10% of their Council Tax bills
- Option 2b** – All households pay at least 17% of their Council Tax bills
- Option 2c** – All households pay at least 20% of their Council Tax bills
- Option 3a** – Households receiving certain benefits or payments are protected from paying a minimum amount of Council Tax. All other households pay a minimum of 20% of their Council Tax bills.
- Option 3b** – Households receiving certain benefits or payments are protected from paying a minimum amount of Council Tax. All other households pay a minimum of 34% of their Council Tax bills.
- Option 3c** – Households receiving certain benefits or payments are protected from paying a minimum amount of Council Tax. All other households pay a minimum of 41% of their Council Tax bills.
- Option 4a** – Households who are not in work and have a child under five years old are protected from paying a minimum amount of Council Tax. All other households pay a minimum of 13% of their Council Tax bills.
- Option 4b** – Households who are not in work and have a child under five years old are protected from paying a minimum amount of Council Tax. All other households pay a minimum of 19% of their Council Tax bills.
- Option 4c** – Households who are not in work and have a child under five years old are protected from paying a minimum amount of Council Tax. All other households pay a minimum of 25% of their Council Tax bills.

2. Do you have any ideas or suggestions or comments on savings and/or income generation that could help to deliver savings and/or income generation to balance the Council's budget from 2024/25?

The council's approved budget for the coming financial year can be found at bit.ly/BCCbudget2023

Additional proposals

The following options will only be considered if a decision is taken to make changes to the working aged Council Tax Reduction scheme. These are smaller changes to the scheme that would deliver further savings and efficiency. These proposals can be carried out alongside any of the options in the previous question other than option 1, where the current Council Tax Reduction scheme is retained.

However, in isolation, these efficiencies and savings are negligible and a decision resulting in no change to the scheme would not require a decision by Full Council to approve it.

Additional proposal 1 – Minimum award of £3.00 per week

All households receiving a discount of less than £3.00 per week will no longer be entitled to Council Tax Reduction, resulting in their awards being reduced to zero. This means these households will start receiving a full Council Tax bill.

This would affect 500 households based on the 17% minimum payment scheme, with an average change per household of £83.72 per year.

3. Do you agree or disagree with the proposal for a minimum award of £3.00 per week?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Additional proposal 2 – Removing the Second Adult Rebate (Alternative Council Tax Reduction)

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%.

200 households would be affected if this part of the scheme was removed. The average change per household would be £289.64 per year.

4. Do you agree or disagree with the proposal to abolish the Second Adult Rebate (Alternative Council Tax Reduction)?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Additional proposal 3 – Reducing the capital limit to £6,000

The current scheme has a capital limit of £16,000. This allows households to hold capital up to this value and retain entitlement to the Council Tax Reduction. This limit could be reduced to £6,000 (the point at which capital affects entitlement under the current scheme).

This would affect 170 households if applied to all working age households who are not receiving income replacement benefits (not including Universal Credit). The average change would be £1,287.00 per year.

5. Do you agree or disagree with the proposal to reduce the capital limit to £6,000?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Discretionary Fund

All authorities must consider requests to reduce a Council Tax liability under Section 13A(1)(c) of the Local Government Finance Act 1992 (as amended) you can view this legislation on the gov.uk website:

www.legislation.gov.uk/ukpga/1992/14

There is a requirement to advise applicants to the Council Tax Reduction scheme of this and how to make an application.

If changes are made to the existing scheme that means households must pay a minimum amount of Council Tax, a separate amount of funding may be set aside to assist households who are unable to pay their Council Tax bills.

The amount of funding that will be set aside to fund a Discretionary Fund will depend on the overall scheme. The larger the minimum payment is, the larger the amount of funding that will be made available, but also noting that some of the suggested schemes, if introduced, protects some households automatically (options 3a to 4c).

Applicants would need to demonstrate that they are unable to pay their Council Tax bills, based on their individual household circumstances.

Applicants would need to apply to a Discretionary Fund and provide evidence of their financial circumstances (income and expenditure) and demonstrate that all appropriate steps to claim all applicable discounts and benefits had been taken and ways to pay their Council Tax had been explored (including making an arrangements to pay any debt with the council).

Awards from a Discretionary Fund would be made for limited periods and only up to the

end of each current financial year. Awards for future years would need to be applied for separately and any changes in financial circumstances would result in the funding awarded being reviewed.

A Discretionary Fund does not form part of the Council Tax Reduction scheme but any decisions that are made either to award or refuse additional support are subject to an independent appeals process.

You can read about how a fund would look like in practice and its associated policy at: www.bristol.gov.uk/residents/benefits-and-financial-help/housing-benefit/discretionary-housing-payments

You can request a paper copy of the policy by emailing consultation@bristol.gov.uk or calling **0117 922 2848**.

6. Do you agree or disagree with the Discretionary Fund proposal?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Small income changes for those receiving Universal Credit (applies to options 2a to 4c)

In addition, small changes in income for households who are receiving Universal Credit would not be considered. This is to reduce the number of reassessments for these households and provide some stability for them. It is proposed that weekly changes in income of less than £15.00 are ignored.

7. Do you agree or disagree with the small income changes for those receiving Universal Credit proposal? (please tick one box only)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Further comments or suggestions

8. If you have any further comments or suggestions, please provide them below:

About you

We want to hear from as many people as possible from all parts of Bristol, so we can understand all viewpoints.

It would be very helpful if you could complete the following 'About You' questions. This will help us ensure that no-one is discriminated against unlawfully and will help us see if people in different parts of Bristol and different circumstances have different views. The questions include each of the protected characteristics in the Equality Act 2010.

All questions are optional. You can skip any questions you do not wish to answer.

Information provided will be treated in the strictest confidence and in accordance with the UK General Data Protection Regulation (UK GDPR). Personal and sensitive information will be used solely for the purpose of equalities monitoring to ensure that everyone is treated fairly.

Our privacy policy, which explains how we will process your personal information, how long we will retain it and your rights as a data subject is available at bit.ly/BCCprivacynotice

Please answer the questions below by ticking the boxes that you feel most describes you.

9. What is your full postcode, e.g. BS13 9BC

We are asking this to understand if citizens have different views in different parts of the city and to be sure we have heard from people in all areas of Bristol.

If you are responding on behalf of a business or other organisation, please provide the postcode of the organisation's premises in Bristol.

10. Do you currently receive Council Tax Reduction?

Yes

No

11. What is your age?

0-10

11-15

16-17

18-24

25-34

35-44

45-54

55-64

65-74

75-84

85 +

Prefer not to say

12. Do you consider yourself to be a disabled person?

Yes

No

Prefer not to say

13. What is your sex?

Female

Male

Prefer not to say

Other (please describe):

14. Have you gone through any part of a gender reassignment process or do you intend to?

Yes

No

Prefer not to say

15. What is your ethnic group?

- Asian / Asian British
- Black / African / Caribbean / Black British
- Gypsy / Roma / Irish Traveller
- Mixed / Multi ethnic group
- White British
- White Irish
- White Other
- Prefer not to say
- Any other ethnic background (please describe):

16. What is your religion/faith?

- No Religion
- Muslim
- Buddhist
- Pagan
- Christian
- Sikh
- Hindu
- Prefer not to say
- Jewish
- Other (please describe):

17. What is your sexual orientation?

- Bisexual
- Gay Man
- Gay Woman / Lesbian
- Heterosexual / Straight
- Prefer not to say
- Other (please describe):

18. Are you pregnant or have you given birth in the last 26 weeks?

- Yes
- No
- Prefer not to say

19. Are you a refugee or asylum seeker?

- Yes
- No
- Prefer not to say

Protected characteristics

The protected characteristics defined in the Equality Act 2010 are:

- age
- gender reassignment
- being married or in a civil partnership
- being pregnant or on maternity leave
- disability
- race including colour, nationality, ethnic or national origin
- religion or belief
- sex
- sexual orientation

20. Do you think any of the proposals would have any impact on you or others with a protected characteristic?

- Very negative effect No effect Very positive effect
- Slightly negative effect Slightly positive effect

If you think the proposals would affect you because of your protected characteristics, please say how:

21. We want to make sure our surveys are as good as possible.

Please tell us if you agree or disagree with the following statements:

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
There is enough information for me to answer the questions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The questions make it easy for me to give my views	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The survey meets my accessibility needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you disagree or strongly disagree with any of these three statements, please tell us why:

22. If you have responded to the consultation previously, is your response now different from your previous response?

- Not at all
- Slightly Different
- Very Different
- Don't know



If you would like this information in another language, Braille, audio tape, large print, easy read, BSL video or CD-ROM or plain text please contact us by emailing consultation@bristol.gov.uk or calling **0117 922 2848**.