

Council Tax Support Scheme Consultation 2025/26

We operate a scheme to help working age people on low incomes with the cost of their council tax by reducing their council tax bill. This is known as the Council Tax Support scheme. There is a national set of regulations for a Council Tax Support Scheme for customers who have reached pension age, but we are free to decide the rules for our own Council Tax Support schemes for working age people in our area, taking into account some government requirements. This consultation only refers to our Council Tax Support Scheme for working age people.

We must review and agree our Council Tax Support scheme for our working age residents for each financial year and there is a process to follow where we intend to make changes to our Council Tax Support Scheme. We must consult with residents of North Norfolk through a public consultation for six weeks. Once the consultation closes, we will review the responses and full Council must agree a final Council Tax Support scheme by March 2025, considering any comments made as part of the consultation.

What is Council Tax?

Council Tax is a property-based tax which all householders (both homeowners and tenants) normally have to pay if they are over 18.

A full Council Tax bill is based on at least 2 adults living in a home. Spouses and partners who live together are jointly responsible for paying the bill.

What is the Council Tax Support Scheme?

If you are on a low income, you can apply for Council Tax Support. This means that you pay less in Council Tax.

The Government makes the rules for how much Council Tax Support low-income pensioners (people aged 66 or over) could get.

North Norfolk District Council makes the rules for how much Council Tax Support working age residents (under 66 years old) on a low income could get.

The purpose of this consultation is to ask for your views on possible changes to Council Tax Support for working age residents (under 66 years old).

The support provided for pensioners (over 66) will not be affected.

What changes are being considered?

In this consultation we are asking for views on several proposals to change the scheme.

- Introducing a flat rate non-dependent deduction of £10 per week for each adult.
- Removing the additional earnings disregard of £17.10 a week from earnings.
- Reducing the time we can backdate an award of Council Tax Support.
- Removing a second adult rebate or better buy award.

Proposal 1 - Introducing standard non-dependent deductions

This proposal relates to reducing the support you can claim if you live with non-dependents.

A non-dependent is an adult (over 18) who lives with you and does not have to pay Council Tax. For example, a grown-up son or daughter.

Under this proposal we would introduce a flat rate £10 deduction for each non-dependent living with the applicant.

If the applicant or their partner is in receipt of the Limited Capability for Work or the Limited Capability for Work Related Activity component in their Universal Credit award, no deduction will be made.

So, if you currently receive a £30 reduction in Council Tax and live with two grown-up children (non-dependents), this could be reduced by £20 (£10 for each non-dependent) and you could receive a £10 reduction to your Council Tax bill.

Proposal 2 - Removing the additional earnings disregard of £17.10 a week from earnings

This proposal relates to how we calculate your income if you work. Some of your earnings are ignored (or disregarded).

We will continue to ignore tax, national insurance and 50% of your pension contributions.

If you are aged 25 or more and work at least 30 hours per week, you will no longer receive the additional earnings disregard of £17.10 per week.

This means you could receive a lower amount of support.

Proposal 3 - Reducing the time we can backdate an award of Council Tax Support

The proposal relates to the length of time we can backdate an award of Council Tax Support.

Currently, if you make a claim for Council Tax Support and you qualify, we can, at our discretion, backdate the award of support for a period up to 6 months before the date the claim was made.

Under this proposal, we will only backdate Council Tax Support to one month before the date we receive the claim.

Next steps

Please complete the enclosed questionnaire and return in the enclosed pre-paid envelope.

You may submit further evidence, ideas or comments by email (benefits.manager@north-norfolk.gov.uk)

The consultation closes at midnight on Sunday 24th November 2024.

We will listen carefully to what residents tell us and take the responses into consideration when making a final decision on the 2025/26 Council Tax Support scheme.

Following the decision, the full results from the consultation will be available on the Council's website.

The new scheme will start on 1st April 2025. The Council will consider the impact of the scheme annually and consult again if it thinks further changes need to be made.