

# Officer Decision Making

Wednesday, 5th February, 2025  
at 11.00 am

## MEMBERS' ROOM DOCUMENTS

This meeting is open to the public

### Members

### Contacts

Democratic Support Officer

Judy Cordell

Tel: 023 8083 2766

Email: [judy.cordell@southampton.gov.uk](mailto:judy.cordell@southampton.gov.uk)

## MEMBERS' ROOM DOCUMENT

Agendas and papers are now available via the City Council's website

**1 COUNCIL TAX REDUCTION SCHEME 2025/26 (Pages 1 - 14)**

Report seeking approval for the Council Tax Reduction Scheme 2025/26.

Tuesday, 28 January 2025

SERVICE DIRECTOR, LEGAL AND  
GOVERNANCE



### Equality and Safety Impact Assessment

The **Public Sector Equality Duty** (Section 149 of the Equality Act) requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people carrying out their activities.

The Equality Duty supports good decision making – it encourages public bodies to be more efficient and effective by understanding how different people will be affected by their activities, so that their policies and services are appropriate and accessible to all and meet different people’s needs. The Council’s Equality and Safety Impact Assessment (ESIA) includes an assessment of the community safety impact assessment to comply with Section 17 of the Crime and Disorder Act and will enable the Council to better understand the potential impact of proposals and consider mitigating action.

<b>Name or Brief Description of Proposal</b>	Review of the Local Council Tax Reduction Scheme
<b>Brief Service Profile (including number of customers)</b>	
<p>Southampton City Council currently provides a Local Council Tax Reduction Scheme (also known as Council Tax Support) that helps people on a low income with their council tax bill.</p> <p>The scheme has two elements – aimed at residents of pensionable age and those of working age. The government sets the rules for the pension age part of the scheme and the council cannot change these. These council taxpayers could be eligible for up to 100% reduction in their council tax bill.</p> <p>The council can set its own scheme for working age claimants. Following the introduction of the Local Council Tax Reduction Scheme on 1<sup>st</sup> April 2013, the City Council has mainly followed the government scheme that was in place before this. Currently, for working age claimants, a council taxpayer can be eligible for up to 75% reduction. The only exception to this is for residents receiving war pensions who can receive up to 100% reduction.</p> <p>There are 111,416 properties in the City with 17,853 receiving council tax reduction as of 10<sup>th</sup> September 2024, of these:  11,887 are working age claimants. The value of the support is £10,021,793  And 5,966 are pensionable age. The value of this support is £6,716,164.</p> <p>The total value of this support is therefore just over £16.7M a year (£16,737,957).</p>	

## Appendix 1 Draft ESIA

These proposals aim to simplify and streamline the existing scheme, making it easier to administer and, with the proposals to ignore small income changes, to improve the customer experience by removing multiple notifications.

### Summary of Impact and Issues

#### The proposals are:-

To simplify the existing scheme in the following ways:

- a) **Change the non-dependent allowance.** This takes into account income of non-dependents and is set by government for pensioners. Various income levels are taken into account. Currently the council chooses to mirror this scheme for working age claimants. The proposal is to move to a flat rate deduction of £9.78 per week for eligible households. This would simplify the administration as it would remove the need to check income of non-dependents in a household. This has been modelled for the current 716 claimants and would be cost neutral. The flat rate is based on the number of claimants so will vary each year as claimant numbers vary. It will be set at prior to the start of each financial year.
- b) **Remove the second adult rebate.** 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%. 101 households would be affected if this part of the scheme was removed. The average change per household would be £437.14 per year. If the household needs support with council tax and they are eligible, they can claim via the main council tax reduction scheme. Based on the current numbers removal of this second adult rebate would result in a saving of £44,151.14.
- c) **Reduce 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 Council Tax Reduction. The proposal is to reduce this limit to £6,000. Currently, this would affect 12 households if applied to all working age households who are not receiving income replacement benefits (not including Universal Credit). The saving linked to these 12 households would be £26,581.36.
- d) **Set a minimum award of £3/week for working age claimants.** The implication of a minimum award would mean that all working age households receiving a discount on their council tax 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 269 households, with an average change per household of £98.71 per year.

e) **Ignoring small income changes for working age customers 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 the Service 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

As numbers of households and residents eligible for council tax reduction will vary between and during years, these estimates of savings are based on a 'snapshot in time' and do not represent year on year savings.

With the continued transfer of working age Housing Benefit claims over to Universal Credit and in the near future housing costs in to Pension Credit, these proposals also bring Southampton City Council into line with other authorities. The main thrust being to simplify and streamline the existing scheme, making it easier to administer and making best use of available resources.

The current council tax scheme offers a range of discounts, reductions and exemptions including support for pensioners, full time students, apprentices, care leavers and people with disabilities. Some are prescribed by law – for example the support for pensioners and no liability to pay for people under 18, other forms of support are discretionary and have been approved by Southampton City Council as part of its local scheme. An example is the support for care leavers.

A full list of the current discounts can be found here:

[List of Council Tax discounts and exemptions \(southampton.gov.uk\)](https://www.southampton.gov.uk/council-tax/council-tax-discounts-and-exemptions)

### **Potential Positive Impacts**

Simplifying and streamlining the existing scheme will make it easier for residents to understand what they can claim for, make it easier to administer and reduce calls and queries into the Revenues and Benefits Service and the Service Centre. This is because for the second adult rebate and non- dependent reductions, the Service has to contact the claimants to ask their non-dependents for income details. Moving away from the former and moving to a flat rate for the latter reduces the amount of checking and chasing the Revenues and Benefits Service has to do and will also reduce query volumes into the Service Centre as they are the first 'port of call' for Revenues and Benefits Service customers. With the capital threshold, there is a tariff which affects the claim amount. This means that the Revenues and Benefits Service staff have to regularly review savings levels of

## Appendix 1 Draft ESIA

eligible households. These elements of the current scheme increase the risk of overpayments on accounts and therefore debt being incurred by residents, which then needs to be chased by the Service.		
<b>Responsible Service Manager</b>	Paul Jones, Benefits Manager	
<b>Date</b>	3/10/24	
<b>Approved by Senior Manager</b>	Vanessa Shahani, Head, Income and Expenditure	
<b>Date</b>	3/10/24	
<b>Impact Assessment</b>	<b>Details of Impact</b>	<b>Possible Solutions &amp; Mitigating Actions</b>
<b>Age</b>	<p>Council Tax Support offers help with the cost of Council Tax to low income households. Nobody under 18 can have a liability for Council Tax or therefore claim Council Tax Support. The scheme for pension age customers is set by Central government and not part of the Local Council Tax Support scheme that is the subject of this decision.</p> <p>The proposal to remove the second adult rebate will affect 101 households, with an average impact of £437.14 per household.</p>	<p>If eligible, households can apply for support from the Discretionary Hardship Fund.</p> <p>If eligible, households can apply for support from the main Local Council Tax Reduction scheme.</p> <p>There are a range of discounts that are age related, that will not be changed by the proposals to simplify the scheme.</p> <p>Households where every adult is a full time student are exempt from paying council tax; if only one adult is not a full time student a discount will be applied. This proposal does not change the current student exemptions.</p>

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
		<p>The scheme also offers a 25% discount for apprentices, provided that the apprentice is:</p> <ul style="list-style-type: none"> <li>• Employed for the purpose of learning a trade, business or profession</li> <li>• Undertaking a programme of training leading to an accredited qualification by the Qualifications and Curriculum Authority</li> <li>• Receiving a salary or allowance or both which in total do not exceed £195 a week before tax and insurance</li> </ul> <p>Signposting residents to money and other advice agencies so they have support to maximise their income and benefits and minimise expenditure will continue.</p> <p>Consultation might highlight other impacts and solutions and, if this is the case, will be taken into account when making the final decision about any changes to the current scheme.</p>
<p><b>Disability</b></p>	<p>There is a reduction in council tax for people with disabilities – which aims to ensure that they don't pay more council tax if they have to</p>	<p>The proposals don't change the current reductions in</p>

## Appendix 1 Draft ESIA

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
	<p>live in a larger property to meet the needs of their disability.</p>	<p>council tax for people with disabilities.</p> <p>Signposting residents to money and other advice agencies so they have support to maximise their income and benefits and minimise expenditure will continue</p> <p>As the impact has currently been identified as neutral, no mitigating actions are suggested. This could change as a result of consultation and, if this is the case, will be taken into account when making the final decision about any changes to the current scheme.</p>
<p><b>Gender Reassignment</b></p>	<p>This protected characteristic would not determine or have influence on any decision made under this scheme as eligibility is specific to an income and capital means test. If a person who identifies under this protected characteristic meets the criteria of the scheme they would be eligible for support</p>	<p>There are no specific benefits or disadvantages that have been identified for this group as a result of these proposals. As the impact has currently been identified as neutral, no mitigating actions are suggested. This could change as a result of consultation and, if this is the case, will be taken into account when making the final decision about any changes to the current scheme.</p> <p>Signposting residents to money and other advice agencies so they have support to maximise their income and benefits and</p>



## Appendix 1 Draft ESIA

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
		minimise expenditure will continue
<p><b>Care Experienced</b></p>	<p>There is a care leaver reduction scheme in place, to support care leavers up to 25 years old and who have been looked after by a local authority for at least 13 weeks from the age of 14. The discount applies to care leavers who have the council tax bill in their name and to care leavers who are the second adult in a property. The proposal to remove the second adult rebate will not include care leavers as separate provision is made for them.</p> <p>There are also discounts for people providing paid or unpaid care to others, provided that the paid care worker is:</p> <ul style="list-style-type: none"> <li>• resident in the same dwelling as the person to whom they are providing care</li> <li>• Their employer must be a charity or local authority</li> <li>• Their income must not exceed £44.00 per week</li> <li>• Should work at least 24 hours per week</li> </ul> <p>The discounts for unpaid care workers apply in the following circumstances:</p> <ul style="list-style-type: none"> <li>• a resident in the same dwelling as the person to whom they are providing care</li> <li>• Not be caring for a spouse or partner, or, a son or</li> </ul>	<p>There are no specific benefits or disadvantages that have been identified for this group as a result of these proposals. As the impact has currently been identified as neutral, no mitigating actions are suggested. This could change as a result of consultation and, if this is the case, will be taken into account when making the final decision about any changes to the current scheme.</p> <p>Signposting residents to money and other advice agencies so they have support to maximise their income and benefits and minimise expenditure will continue</p>

## Appendix 1 Draft ESIA

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
	<p>daughter who is under 18 years old</p> <ul style="list-style-type: none"> <li>• Be providing care for at least 35 hours per week on average</li> </ul> <p>The person they are caring for must be in receipt of one of a number of benefits. More details available from:</p> <p><a href="http://southampton.gov.uk">Care worker discount (southampton.gov.uk)</a></p> <p>A dwelling <a href="#">left empty by a carer is exempt</a> if they are providing personal care for someone else.</p>	
<p><b>Marriage and Civil Partnership</b></p>	<p>Co-habiting couples are treated the same under the scheme rules regardless of their marriage or civil partnership status. Eligibility is specific to an income and capital means test. If a person who identifies under this protected characteristic meets the criteria of the scheme they would be eligible for support</p>	<p>There are no specific benefits or disadvantages that have been identified for this group as a result of these proposals. As the impact has currently been identified as neutral, no mitigating actions are suggested. This could change as a result of consultation and, if this is the case, will be taken into account when making the final decision about any changes to the current scheme.</p> <p>Signposting residents to money and other advice agencies so they have support to maximise their income and benefits and minimise expenditure will continue</p>

## Appendix 1 Draft ESIA

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
<b>Pregnancy and Maternity</b>	<p>This protected characteristic would not determine or have influence on any decision made under this scheme as its eligibility is specific to an income and capital means test. If a person who identifies under this protected characteristic meets the criteria of the scheme they would be eligible for support</p>	<p>There are no specific benefits or disadvantages that have been identified for this group as a result of these proposals.</p> <p>Consultation might highlight other impacts and solutions and, if this is the case, will be taken into account when making the final decision about any changes to the current scheme.</p> <p>Signposting residents to money and other advice agencies so they have support to maximise their income and benefits and minimise expenditure will continue</p>
<b>Race</b>	<p>Residents from the EU who have not been granted settled status are excluded from provision by statute but race itself does not have any effect on the application of the scheme</p> <p>Race is not a factor with the statutory council tax support means test nor is it a factor within the proposed scheme. Information about race is not collected during the assessment of council tax support and it does not affect its assessment. So if a person who identifies under this protected characteristic meets the criteria of the scheme they would be eligible for support.</p> <p>However, the results of the 2021 census show that 84.6% of</p>	<p>No mitigation required as the proposals affect all people on benefits regardless of race. However, it is recognised there could be language barriers for some residents. The council will continue to use interpreting and translation services to support residents to access services.</p> <p>Consultation might highlight other impacts and solutions and, if this is the case, will be taken into account when making the final decision about any changes to the current scheme.</p>

## Appendix 1 Draft ESIA

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
	<p>residents have English as their main language and 37,044 (15.4%) of residents do not have English as their main language. Of these 37,044 people, 83.4% speak English well or very well. 14.6% (5,398 people) cannot speak English well and 2.1% (761 people) cannot speak English at all. In Southampton, this is an increase of 17.7% from 4,587, in 2011, to 5,398 in 2021, who cannot speak English well. There was also an increase of 6.1% (44 people) in the number of people who cannot speak English. So this is potentially a barrier to accessing services.</p> <p><a href="https://www.southampton.gov.uk/ethnicity-language-and-identity">Ethnicity, language and identity (southampton.gov.uk)</a></p>	<p>Signposting residents to money and other advice agencies so they have support to maximise their income and benefits and minimise expenditure will continue</p>
<p><b>Religion or Belief</b></p>	<p>If a person who identifies under this protected characteristic meets the criteria of the scheme they would be eligible for support. There is no differential treatment in the scheme rules.</p>	<p>There are no specific benefits or disadvantages that have been identified for this group as a result of these proposals. As the impact has currently been identified as neutral, no mitigating actions are suggested. This could change as a result of consultation and, if this is the case, will be taken into account when making the final decision about any changes to the current scheme.</p> <p>Signposting residents to money and other advice agencies so they have support to maximise their income and benefits and</p>

## Appendix 1 Draft ESIA

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
<b>Sex</b>	There are no specific benefits or disadvantages that have been identified for this group as a result of these proposals.	<p>minimise expenditure will continue</p> <p>As the impact has currently been identified as neutral, no mitigating actions are suggested. This could change as a result of consultation and, if this is the case, will be taken into account when making the final decision about any changes to the current scheme.</p> <p>Signposting residents to money and other advice agencies so they have support to maximise their income and benefits and minimise expenditure will continue</p>
<b>Sexual Orientation</b>	This protected characteristic would not determine or have influence on any decision made under this scheme as its eligibility is specific to an income and capital means test. If a person who identifies under this protected characteristic meets the criteria of the scheme they would be eligible for support	<p>There are no specific benefits or disadvantages that have been identified for this group as a result of these proposals. As the impact has currently been identified as neutral, no mitigating actions are suggested. This could change as a result of consultation and, if this is the case, will be taken into account when making the final decision about any changes to the current scheme.</p> <p>Signposting residents to money and other advice agencies so they have support to maximise their income and benefits and</p>

## Appendix 1 Draft ESIA

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
		minimise expenditure will continue
<b>Community Safety</b>	None identified at this time. This could change as a result of consultation and, if this is the case, will be taken into account when making the final decision about any changes to the current scheme.	
<b>Poverty</b>	<p>Analysis of the Indices of Multiple Deprivation (2019) indicate that Southampton was slightly more deprived in 2019 than in 2015; 12.8% of neighbourhoods in the city are in the 10% most deprived nationally. Although there was relatively little change between 2015 and 2019, the data shows that Southampton remains a relatively deprived city. Analysis suggested that Southampton is more uniformly deprived meaning that high levels of deprivation impact on a greater proportion of people in the city. The data also suggested that deprivation has a disproportionate impact on young people (aged 18 and under).</p> <p><a href="https://www.southampton.gov.uk/indices-of-multiple-deprivation-2019">IMD (2019) Analysis of changes since 2015 (southampton.gov.uk)</a></p> <p>2020 data showed that 12.5% of households in Southampton were living in fuel poverty, compared to 13.2% in England. However, the number of households in fuel poverty in Southampton increased by about 1% between 2019 and 2020, whereas in England the figure remained relatively stable over the same period.</p>	<p>The council will continue to maintain a discretionary Hardship Fund, negotiate affordable payment arrangements with people struggling to pay their council tax, refer them to advice agencies who can offer support, as well as continuing to promote available sources of support via the council's web pages. These measures will support all residents struggling to pay their council tax.</p> <p>In addition, the current Single Person Discount will continue to apply. This applies when only one person aged 18 or over lives in the property, or if the other household members are exempt.</p> <p>Consultation might highlight other impacts and solutions and, if this is the case, will be taken into account when making the final decision about any changes to the current scheme.</p>

## Appendix 1 Draft ESIA

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
	<a href="https://southampton.gov.uk">Deprivation and poverty (southampton.gov.uk)</a>	Signposting residents to money and other advice agencies so they have support to maximise their income and benefits and minimise expenditure will continue
<b>Health &amp; Wellbeing</b>	None identified at this time. This could change as a result of consultation and, if this is the case, will be taken into account when making the final decision about any changes to the current scheme.	
<b>Other Significant Impacts</b>	None identified at this time. This could change as a result of consultation and, if this is the case, will be taken into account when making the final decision about any changes to the current scheme.	

This page is intentionally left blank