FAQs

Glossary

CTR	Council Tax Reduction
Child	means a person under the age of 16
Earnings	total earnings less income tax, national insurance and 50% of any pension contributions
Maximum support	The maximum CTR discount you could receive
Non-dependant	Other adults living in the household, often a grown up child
Pensioner	a person who has attained the age at which pension credit can be claimed
Working age	a person typically between the age of 16 and 66

Q1. What is Council Tax Reduction?

Council Tax Reduction (CTR) is an income banded discount per property to help people on low incomes to pay their Council Tax. The North Somerset council working age scheme defines how much each household are entitled to, based on the composition of the household and its income. Central government sets the rules for all pension aged households, including who can claim and how. No money is paid to the people who claim it, instead we reduce their Council Tax bill by the amount of support to which they are entitled.

Q2. How is the current 2025/26 Council Tax Reduction scheme calculated?

Council Tax Reduction reduces Council Tax bills by up to 75.5% for some working age households, with the household paying a minimum of 24.5%. (If of pensionable age Council Tax bills are reduced by up to 100%, with the household paying no minimum payment).

Currently approximately 11,250 households claim CTS, including pension age applicants. Of these, approximately 6,400 are of working age.

The amount of Council Tax Reduction awarded depends on a number of factors:

- The type of householder (pensioner or working age)
- Those who are of State Pension Age (Pensioners) receive maximum support of 100%
- Those of working age receive maximum support of 75.5% of the Council Tax
- Those in receipt of Income Support, Income based Job Seekers Allowance, Income-related Employment Support Allowance, Guaranteed Pension Credit and Universal Credit (not working) get the maximum

Council Tax Reduction of 75.5%. There may be a deduction for other adults living in the property – this is known as a non-dependent deduction.

- Those not in receipt of Guaranteed Pension Credit, Income Support, income-based Job Seekers Allowance, or Income-related Employment Support Allowance will have their CTR calculated based on which income band they fall into.
  - The Council Tax Band (Band A to H)
  - How many other adults live with the householder where a deduction from the calculated award is made based on the circumstances of that adult (Non-dependent deduction)

The Council is proposing to change our scheme in 2026/27 to reduce the overall support and the amount the council must fund.

Q3. Why are we proposing to change the scheme?

The Council needs to look at all areas of spending to identify savings, as well as identifying how it can generate more income. We need to revise our CTR scheme because of reductions to the Councils funding that is putting pressure on local services. The Council needs to strike a balance between a CTR scheme that is affordable and fair, not only for those who receive CTR, but also residents that depend on wider services.

North Somerset Council's council tax is historically low. For example, a Band D household in North Somerset pays £1,793.75 (including an adult social care precept) compared to £2,200.26 if you lived in Bristol. The remainder of your council tax bill is allocated to the police and fire authorities as well as parish/town councils.

Several Local Authorities are reviewing their Council Tax Reduction Schemes and we have decided to review the Council Tax Reduction Scheme for 2026/27 to help maximise the funding available to support essential services.

Q4. How may this change and consultation affect me?

Everyone liable to pay Council Tax pays for the CTR scheme through their Council Tax payments. Therefore, it is important to get the views of all Council Taxpayers regardless of whether you receive CTR or not.

Any changes to the scheme will directly affect working age households receiving CTR now or in the future.

Q5. What alternatives were considered by the Council?

When considering how the costs of the scheme may be reduced, the council also looked at the following options:

- Lowering the maximum support to 55%
- Lowering the maximum support to 50%

Q6. What other funding options have been looked at?

As the cost of administering the Council Tax Reduction scheme falls on the council, to not make changes would mean looking at other ways of reducing the council's funding shortfall, such as:

Increasing Council Tax

The council's future financial plan assumes additional income from Council Tax. Even after this increased income, a significant budget gap remains into the medium-term future.

It should also be remembered that councils are restricted in the how much they can increase Council Tax. Therefore, raising the charge to pay for the additional costs of the Council Tax Reduction scheme will mean that the Council could not raise funding for other areas such as social care, or would need to undertake a local referendum of all Council Tax payers, which again adds to the costs.

Cut funding in other areas

Many council services are already financially stretched and face similar difficulties to that of the Council Tax Reduction scheme and so have to make savings.

Protecting the current scheme will mean there is less money available to deliver all the other services provided by the Council.

Q7. What is the Council's proposal for the Council Tax Reduction Scheme in 2026/27?

The Council is considering reducing the overall Council Tax Reduction costs to help maximise the funding to support essential services. The Council wants to make sure that the Council Tax Reduction provided is fair to all working age groups, targeted to those most in need and that everyone contributes towards Council Tax.

At present, the scheme can cover up to 75.5% of a household's council tax bill. We are proposing to lower this maximum level of help to 65.5%. This reduction of 10% would apply across all levels of support, meaning every household receiving Council Tax Reduction - whether currently getting the maximum or a smaller percentage - would see their help reduced.

We will protect households with a disabled child with a minimum support level of 55% of the council tax bill.

This table shows the proposed changes for 2026/27 to the amount of council tax reduction offered depending on the amount of monthly earned income:

Band	Monthly earned income	Discount percentage 2025/26	Protected group * 2025/26	Discount percentage proposed 2026/27	Protected group * proposed 2026/27
1	£0	75.5%	75.5%	65.5%	65.5%
2	£0.01-£500.00	55%	65%	45%	55%
3	£500.01 - £800	42%	65%	32%	55%
4	£800.01 - £1,100	30%	65%	20%	55%
5	£1,100.01 - £1,400	18%	65%	8%	55%
6	£1,400.01 and above	0%	0%	0%	0%

Summary of cost implications (working age)	
	Estimated expenditure
Current scheme 2025/26	**£5,831,424**
Proposed new scheme 2026/27	**£5,327,253**

Q8. What additional support is in place? (mitigations)

Council Tax Discretionary Hardship Fund

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

We propose to support people who are most vulnerable and struggling to pay their council tax bill by offering a Council Tax Discretionary Hardship Fund. This is in accordance with Section 13A of the Local Government Finance Act 1992.
Applicants would need to apply to a Discretionary Hardship 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 arrangement to pay any debt with the council).
Awards from a Discretionary Hardship 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 Hardship Fund does not form part of the CTS scheme but any decisions that are made either to award of refuse additional support are subject to an independent appeals process.

Debt triage and Benefits calculator tool

We have introduced a debt triage and benefits calculator tool.

We launched a campaign in April to help residents access benefits they may not be currently claiming, thereby reducing reliance on CTR and supporting household financial resilience.

FirstSteps

FirstSteps is the North Somerset Council's ethical debt collection scheme. The team offers a non-judgemental and supportive service that is sensitive to individual circumstances, and they support residents by:

- avoiding rising costs by providing immediate intervention
- checking individuals are claiming all the benefits and support you're entitled to
- let residents know about any schemes and organisations that could help
- book appointments with Citizens Advice North Somerset

work with households to find a repayment plans that are affordable and adaptable if circumstances change

Q9. Will the proposals impact pensioners?

No, the proposal only affects households where the claimant and/or their partners are working age. By law, the council cannot make any changes to the scheme that will reduce the level of support payable to a pensioner household.