

Appendix Two, Consultation on changes to the Council Tax Reduction Scheme

This document collates the responses to the Council Tax Reduction (CTR) scheme consultation carried out between 31 July and 24 September 2017. Eighteen complete responses were received to the consultation. The comments received indicate that responses have been received from both people who claim CTR, and people who don't.

All respondents had read the background information to the scheme. Seventeen responses were from individuals and one from an organisation. However, the nature of the comments received in the latter response, shows that the individual was not responding on behalf of an organisation, but were responding as a result of their particular job role.

The responses to the six proposals for change are shown below. Comments are collated in Appendix One, together with the Council's responses where required. A majority of respondents were in favour of each of the proposed changes although the degree of support varied, which is detailed below.

1. Introduction of an income band scheme for households in receipt of Universal Credit

To what extent do you agree or disagree with the principle of introducing income bands for people claiming UC?

- Strongly Agree 2
- Agree 9
- Neither agree nor disagree 2
- Disagree 2
- Strongly Disagree 3

To what extent do you agree or disagree with the proposed income bands?

- Strongly Agree 3
- Agree 8
- Neither agree nor disagree 2
- Disagree 2
- Strongly Disagree 2

2. Removal of the second adult rebate?

- Strongly Agree 7
- Agree 8
- Neither agree nor disagree 2
- Disagree 0
- Strongly Disagree 0

3. Limit backdating to one month

- Strongly Agree 5
- Agree 9
- Neither agree nor disagree 1
- Disagree 3
- Strongly Disagree 0

4. Assume a minimum income level for CTR claimants who are self-employed for more than one year

- Strongly Agree 5
- Agree 5
- Neither agree nor disagree 4
- Disagree 3
- Strongly Disagree 1

5. Reduce the period of the temporary absence rule from thirteen weeks to four weeks. This is the time that someone can be out of the country without losing any entitlement to CTR.

- Strongly Agree 10
- Agree 7
- Neither agree nor disagree 0
- Disagree 0
- Strongly Disagree 1

6. Removal of the family premium

- Strongly Agree 3
- Agree 6
- Neither agree nor disagree 2
- Disagree 5
- Strongly Disagree 2

As some of the proposals in the consultation reduce the support people receive, the Council was required to consult on alternatives to making these changes. This included increasing the level of Council Tax, finding savings by cutting other Council services and increasing fees and charges. The responses to these proposals were as follows.

7. Increase the level of Council Tax

- Strongly Agree 2
- Agree 5
- Neither agree nor disagree 3
- Disagree 6
- Strongly Disagree 2

8. Find savings form cutting other Council services

- Strongly Agree 0
- Agree 2
- Neither agree nor disagree 2
- Disagree 7
- Strongly Disagree 7

9. Increase fees and charges

- Strongly Agree 3
- Agree 6
- Neither agree nor disagree 2
- Disagree 5

- Strongly Disagree 2

Appendix One – Comments and Council responses

Income band scheme for Universal Credit customers

1. It seems wrong to penalise those at the lower part of a band while giving advantage to those nearer the top.
Response: The benefit for those at the lower part of a band is that they can significantly increase their earnings before having to pay more Council Tax.
2. Too many big jumps in amount to pay. Also what will be done if UC fluctuates, will I be reassessed every month?
Response: Changes to the UC payment will result in reassessment, but if the change is small then it is unlikely to produce a change in the amount of CTR received. Where there is a change, then it will not be applied to the Council Tax account until the following month.
3. Income would have been assessed to confirm affordability - seems appropriate that bands are introduced to determine the contribution level to council tax
Response: Noted
4. As someone who for the first time applied for low income help last december i have been struck by how much admin takes place for such small amounts. Admin costs must be more than amounts saved. I have had at least 5 adjustments in 8 months. bands seem to be a better way.
How will single occupancy be affected by any new system introduced.
I don't understand what UC is so can not comment.
No mention of households affected by this change. Why?
Response: The 25% reduction for single occupancy is not affected by this proposal. Any CTR will be applied to the balance of the charge after this discount has been applied.
The consultation document did not include details of how many households will be affected by this change as the income band scheme is a brand new scheme which will affect all people who claim Universal Credit. The other changes proposed are amendments to the existing CTR scheme for which the Council currently holds data and can so can say exactly how the change will affect people.
5. Hopefully it will also stop fraudulent claims of which I am sure they are many. Seems a fair way to do it and also save money.
Response: Noted

Removal of the second adult rebate

1. Although these second adults are on a low income, there has to be a saving somewhere.
Response: Noted
2. If I have to jump though hoops to be assessed on my income why aren't others. This shocks me. Will these households really loose out?
Response: Whilst they will lose the reduction they are more likely to be in a position to increase their income than many other households receiving Council Tax Reduction, due to the presence of a non working adult.

Limit backdating to one month

1. Backdating should be allowed if any delay is the council's fault rather than the claimant's.
Response: Any administrative delay on the part of the Council would not result in a loss in entitlement.

2. Need exceptions to this to allow vulnerable people to be protected. The system is increasingly confusing and it is easy to see people missing out and being left with Council Tax debts they can not manage.
Response: The process of recovering Council Tax debts includes multiple contacts with people in arrears, so in most cases the need to claim CTR would be identified very quickly.
3. In line with HB - there has to be a saving somewhere and available benefits are advised. Additionally, council tax contact customers in arrears so there should not really be a need for a long back date.
Response: Noted
4. 3 months should be the maximum time not 6
Response: The option of one month has been proposed as that is the limit for backdating Housing Benefit.
5. This should have been changed a long time ago. There are very few schemes/benefits/allowances that you can backdate 6 months!
Response: Noted
6. The backdating period should stay at 6m for vulnerable adults, those in supported accommodation etc.
Response: Please see the response to point 2 in this section above. Additionally, people in supported accommodation would be prompted to claim CTR by the scheme provider.

Assume a minimum income level for CTR claimants who are self-employed for more than one year

1. I do think it should be streamlined - its easier for the customer to understand if we adapt the same rules. However, self-employment isn't always black & white and to assume an income could bring further hardship.
Response: Where a business is not generating enough income to reach the minimum income threshold, there is a question as to whether the business is viable. The claimant can decide to seek support in developing the business or pursue an alternative form of employment.
2. If based on actual earnings doesn't that automatically put them in arrears. Not being self-employed I don't think i should comment
Response: If self-employed earnings are below that of the proposed minimum income threshold then using those earnings could result in a larger CTR award than using the minimum income floor. However please note the response to the comment above.
3. Absolutely agree. If you are unable to earn minimum wage through self-employment then the commerciality and suitability of being self-employed must be questioned.
Response: Noted
4. People are self-employed for a variety of complex reasons, some have very limited capacity to increase their business eg. Childminders
Response: Please note the response to the first comment in this section.

Reduce the period of the temporary absence rule from thirteen weeks to four weeks. This is the time that someone can be out of the country without losing any entitlement to CTR.

1. I would stop the CTR four weeks after the person leaves the UK - not on the date they leave the UK.
Response: It is intended to replicate the provision in the Housing Benefit regulations which ends entitlement from the point at which the absence commences.
2. This may also improve the attendance of pupils whose parents take long visits to other countries.
Response: Noted
3. There should be the right to appeal in exceptional circumstances eg. looking after a sick relative or if they are ill(say if they go on holiday and then have to be in hospital)
Response: As stated above, the intention is to replicate the Housing Benefit regulations, and these provide for a number of circumstances where the period of absence can be extended, as long as the original intended duration of the absence was four weeks or less. This includes the need for a stay in a hospital.

Removal of the family premium

1. This is hitting children who are already losing out
Response: The net impact of the proposed changes is a small increase in the amount of CTR provided. Oxford is one of only 37 councils who have not reduced the support provided by their CTR scheme.
2. another saving method
Response: Please see the above response
3. low income single parent households should not be penalised. £3-4 is a lot of money to loose when you don't have it.
Response: Please see the first response in this section
4. I am not sure that just because the rules change on HB then CTR should too - this could be a big impact on a lot of families who are already struggling
Response: Please see the first response in this section

Alternative funding options

1. Perhaps a reduction to the capital limit - some Local Authorities state over £6K nil ents [entitlements] CTR
Response: This option was included in the report to the Council's City Executive Board on the consultation proposals but the CEB decided not to include it for consultation.
2. This does not say how much CT would have to increase in order to maintain the current levels so not really a fair question. What about a small charge for uni student households? They still use a lot of services and have to pay fees for courses etc.
Response: The point about the amount of Council Tax required is noted. Council Tax regulations provide for an exemption from Council Tax for households consisting entirely of full time students, so no charge can be levied where these circumstances exist.

Other comments on the CTR scheme

1. Live in Oxford and own £million houses you can afford to pay more CT. Top bands should pay more

Response: The Council Tax regulations prescribe the ration of Council Tax levied for different bands, and cannot be changed by the city council.

2. It is imperative to have appropriate arrangements for supported accommodation e.g. Exempt accommodation like for HB.

Response: Where residents of supported accommodation have a liability for Council Tax, this is assessed alongside their entitlement to Housing Benefit. In most supported accommodation schemes support is provided to help people make their claim for Housing Benefit and Council Tax Reduction.

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