**Council Tax Reduction Consultation**

**Background**

The Council Tax Reduction (CTR) scheme provides help for Oxford residents on benefits or low incomes to pay their council tax. This help is provided as a reduction in the amount of Council Tax to pay. The reduction can be up to 100% of the Council Tax bill.

Since the end of national council tax benefit (CTB) in April 2013, councils have been responsible for drawing up their own schemes of support. Oxford is one of a small number of councils who have not reduced the overall level of financial support that was available before 2013, even though government funding for Council Tax support has reduced every year since 2013, and will end completely in 2019. Because of government cuts to funding, our CTR scheme will cost us more than £1.6 million this year.

In Oxford, 8.448 people currently get help to pay their council tax. The amount of help they get depends on their income and their household, with people on some benefits not having to pay anything. These benefits include income-based Jobseeker’s Allowance (JSA), Income Support (IS), Guarantee Credit and income-related Employment and Support Allowance (ESA). People in equivalent circumstances on Universal Credit (UC) will also get 100% CTR support.

The Council made two changes to the CTR scheme for the current year. We are now proposing some additional amendments to the scheme for 2020/21, and this means we have to ask you for your views on the changes we want to make.

Your CTR will not be affected by our proposals if you are pension age. Pensioners are still covered by a national scheme of support.

We are consulting you on the following changes we would like to make to CTR:

**Consultation Questions**

Please either tick the box next to your answer, or write your response in the space provided.

1. Are you responding on behalf of an organisation?

Yes

No

1. If you are responding on behalf of an organisation, please state which one?

**CTR Scheme amendments**

**Amendment of income bands for people claiming Universal Credit**

Universal Credit is a single monthly payment which replaces a number of benefits and tax credits paid to working age people. The Department of Work and Pensions began rolling this out to new benefit and tax credit claimants in Oxford in October 2017.

UC is designed to allow people to vary their hours at work while still getting support for their living, housing and other costs. This can result in people receiving a different amount of UC each month, which can change the amount of CTR that someone receives. As a result it could be difficult for people getting CTR to know how much council tax they need to pay themselves. The income band scheme makes it more likely that people will need to pay the same amount of Council Tax each month, with instalments only changing when income increases, or decreases, by enough to move them into the next band.

The income used to determine which band applies will be a claimant’s UC basic allowance and any earnings from work, plus any unearned income. Deductions are then made for any non-dependants in the household. The income band scheme uses the following bandings to determine the amount of support provided:

|  |  |  |
| --- | --- | --- |
| **Band** | **Weekly Income** | **Discount received** |
| 1 | £0 - £131.99 | 100% |
| 2 | £132 - £197.99 | 75% |
| 3 | £198 - £300.99 | 50% |
| 4 | £301 - £397.99 | 25% |
| 5 | £398 | 0% |

The rationale for the figures above are as follows:

* £132 is 16 hours on the national minimum wage (NMW) rounded upwards
* £198 is 24 hours on the NMW rounded upwards
* £301 is 30 hours on the Oxford living wage(OLW), rounded upwards
* £398 is the Benefit Cap uprated by the September 2018 RPI figure

It is proposed that the bands are uprated for 2020/21 as follows:

* Bands based on the NMW are uprated in accordance with the NMW rate for over 25’s from April 2020
* Bands based on the OLW are uprated in accordance with the OLW rate form April 2020
* Band 5 is increased by the Retail Price Index measure of inflation as of September 2019

Uprating the bands in this way will ensure that no-one has to make more Council Tax as a result of getting a pay rise.

We would like to know if you still agree with us using an Income Band Scheme for Universal Credit claimants.

Please could you answer the following questions in respect of the income band scheme.

1. Do you agree with the principle of using income bands for deciding how much support people get in paying their Council Tax?

Yes

No

Don’t know

1. Do you agree with the proposal for uprating the income bands from 2019/20?

Yes

No

Don’t know

1. Please provide any comments you have on the income band scheme, and its proposed uprating.

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**Whilst we are not proposing this for the 2020/21 CTR scheme, we would like to know if you think it would be a good idea to introduce a banded income approach for working age claimants, the same as we currently do for UC claimants.**

Currently the CTR scheme has a banded income approach for people who are in receipt of Universal Credit. Other working age claims do not have a banded scheme and entitlement to CTR will change whenever income or families change.

To what extent do you agree or disagree with applying a banded scheme to all working age CTR claims.

Agree

 Disagree

Don’t know

1. Please provide any comments you have on creating an income band scheme for all claimants.

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**We would like your views on changing the date that a CTR change takes effect to the date that the actual change takes place, rather than from the following Monday. This would then mirror how the daily charge for Council Tax works.**

1. Do you think we should amend the effective date for a change that affects CTR to the date of the change and not the following Monday?

Yes

No

Don’t know

**We would like your views on whether to leave a CTR claim open for 6 months whilst there is a Universal Credit claim in place.**

With Universal Credit, legislation allows for claims to be ‘active’ for 6 months without there being a benefit payment made. We are looking to reduce the number of new claims that we receive by treating the CTR claim as being ‘active’ for those people on UC where the entitlement is zero for 6 months.

1. Do you think we should leave a claim open for 6 months whilst there is a UC claim in place?

Yes

No

Don’t know

**Alternatives to reducing the amount of help provided by the CTR scheme**

Although the Council is not making proposals to reduce the support people can get under CTR for the financial year 2020/21, we would like your views on alternative approaches to funding the increasing costs of the Council’s CTR scheme.

Do you think we should choose any of the following options when considering how to fund the CTR scheme? Please select one answer for each source of funding.

1. Increase the level of Council Tax

Yes

No

Don’t know

1. Find savings from cutting other council services

Yes

No

Don’t know

1. Increase fees and charges

Yes

No

Don’t know

1. Please use the space below if you would like us to consider any other options.

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1. Please use this space to make other comments on the CTR scheme

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**About you**

We ask these questions:

* to find out if different groups of people in Oxford have been able to take part in the consultation and to identify if any groups have been excluded. This means it is not about you as an individual – we want to find out if people with similar characteristics have had their say
* To find out if different groups of people feel differently about the options and proposals in comparison to each other and all respondents. This means it is not about you as an individual – we want to find out if people with similar characteristics have answered in the same way or not.

This information is completely confidential and anonymous.

Your personal information will not be passed on to anyone and your personal details will not be linked to your responses.

1. Are you, or someone in your household, getting CTR now?

Yes

No

Prefer not to say

1. What is your gender?

Male

Female

Transgender

Prefer not to say

1. What is your age?

45-59

60-74

75 or above

16-18

19-24

25-44

1. What is your ethnic group?

Indian

Pakistani

Bangladeshi

Other Asian

Caribbean

African

Black Other

Chinese

White British

White Irish

Other White

White and Black Caribbean

White and Black African

White and Asian

Other Mixed

Other (Specify Below)

1. If other, please enter details in the space below

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1. Do you consider yourself to have a disability or life limiting illness?

Yes

No

Prefer not to say