

# Appendix 1

## Council Tax Reduction Consultation- 2022/23

### **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 annually, and ended completely in 2019. Because of government cuts to funding and an increase in caseload due to the Covid-19 pandemic, our CTR scheme will cost us more than £1.9 million this year.

In Oxford, 9,033 people currently get help to pay their council tax, of which 6,056 are working age. 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 thus protecting the most financially vulnerable. The scheme also currently protects claimants with children and disabled people as this income is ignored when calculating the income band for CTR entitlement.

The Current banded scheme for both Universal Credit claimants and other incomeed claims is;

Income bands		
Band	Your weekly income 2021/22	Discount on council tax bill
1	£0 - £142.99	100%
2	£143 - £213.99	75%
3	£214 - £309.99	50%
4	£310 - £402.99	25%
5	£403 and over	0%

The Council is proposing some amendments to the scheme for 2022/23, 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 below 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 our working age CTR scheme:

### **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?

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Yes

No

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

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## CTR Scheme amendments

### Amendment of income bands

From April 2021 the income banded scheme applies to both claimants in receipt of Universal Credit (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) and other income streams such as salary.

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.

An income banded 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.

Our income banded scheme uses the following bandings to determine the amount of support provided:

Band	Weekly Income	Discount received
1	£0 - £142.99	100%
2	£143.00-£213.99	75%
3	£214.00-£309.99	50%
4	£310.00 - £402.99	25%
5	£403 and above	0%

The rationale for the figures above are as follows:

- £143 is 16 hours on the national minimum wage (NMW £8.91) rounded upwards
- £214 is 24 hours on the NMW rounded upwards
- £310 is 30 hours on the Oxford living wage(OLW £10.31), rounded upwards
- £403 is the Benefit Cap uprated by the September 2020 RPI figure

Proposal 1 is that the bands are uprated for 2022/23 as in previous years as follows:

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- Bands based on the NMW are uprated in accordance with the NMW rate for over 25's from April 2021
- Bands based on the OLW are uprated in accordance with the OLW rate from April 2021
- Band 5 is increased by the Consumer Price Index measure of inflation as of September 2021, in line with the Department for Work and Pensions up-ratings

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.

Please answer the following questions in respect of the Income Band Scheme:

3. Do you agree with the proposal for uprating the income bands from 2022/23

Yes

No

Don't know

4. Please provide any comments you have on the income band scheme, and this proposal.

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Proposal 2 considers whether or not the Council should freeze the proposed uprating of the Bands for 2022/23 due to affordability.

5. Do you agree with the proposal for freezing the income bands at the 2021/22 amounts?

Yes

No

Don't know

6. Please provide any comments you have on the income band scheme and this proposal.

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Currently the scheme has a single banded structure for a total income for all applications, with no regard to household composition. If the Council changes the scheme to take into account the number of people that make up the family composition. This would take change the maximum entitlement for into account single people claims, couple claims and family claims.

7. Do you think the Council should amend the banding structure to take into account the size of the household?

Yes

No

Don't know

8. Please provide any comments you have on amending the banding structure to take into account the size of the household.

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The Council currently gives a discount up to 100% of Council Tax liability for all applications for CTR. Should the Council consider adjusting the 2022/23 scheme to reflect that people who are in receipt of passported benefits (Income Based Jobseekers Allowance, Income Support and Income Related Employment and Support Allowance, and the Standard Allowance of Universal Credit) continue to receive the maximum level of support of 100% and other claims be restricted to a maximum CTR, for example 85%, or pay an amount per week towards their Council Tax- for example £2pw? The will result in claimants having a charge to pay if there is no passported benefit in payment.

9. Do you think we should reduce the maximum amount of CTR for non-passported claimants to a maximum percentage- for example 85%?

Yes

No

Don't know

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10. Do you think we should reduce the maximum amount of CTR for non-passported claimants so that they pay an amount per week towards their Council Tax- for example £2?

Yes

No

Don't know

11. Do you think that all claimants should make some contribution towards the Council Tax regardless of their Income?

Yes

No

Don't know

12. Please provide any comments you have on reducing the amount of CTR for claimants.

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The Council currently applies a non-dependant charge to a claim where there is an adult in the property who is not included as part of the household. A household is defined as;

- a single person with no other people in their home
- a couple
- a family, where there is child benefit in payment for children in the home.

In cases where there are other people living in the property who are over the age of 18, for example, elderly relatives or older children who are not awarded child tax credit or child benefit, the Council applies a deduction from the CTR entitlement based upon the income for the additional person.

Gross income on non-dependant	Non-dependant deduction rate
Less than £149.00	£4.05
£149-£216.99	£8.30
£217 to £282.99	£10.40
£283 to £376.99	£12.45

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This results in the Council needing to ask questions about income details for another person in the home to ensure the claimant receives the correct award of CTR. In order to reduce administration of the CTR scheme, the Council is considering applying a maximum entitlement of 75% where there is a non-dependant in the household, as it is reasonable to expect that person to contribute to the household expenses. This reduction would apply regardless of the income of the non-dependant. In cases where there is a disability benefit in place for the applicant or non-dependant, then the reduction in entitlement would not be applied.

13. Do you think we should restrict the CTR award to 75% where there is at least one non-dependant in the household and neither the claimant nor non-dependant is in receipt of a disability benefit?

Yes

No

Don't know

14. Please provide any comments you have on reducing the amount of CTR for certain households with a non-dependant?

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

As some of the options proposed may reduce the level of support people can get under CTR for the financial year 2022/23, 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.

15. Increase the level of Council Tax

Yes

No

Don't know

16. Find savings from cutting other council services

Yes

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No

Don't know

17. Increase fees and charges

Yes

No

Don't know

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

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19. 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.

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

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

Yes

No

Prefer not to say

21. What is your gender?

Male

Female

Transgender

Prefer not to say

22. What is your age?

16-18

19-24

25-44

45-59

60-74

75 or above

23. What is your ethnic group?

White British

White Irish

Other White

White and Black Caribbean

White and Black African

White and Asian

Other Mixed

Other (Specify Below)

Indian

Pakistani

Bangladeshi

Other Asian

Caribbean

African

Black Other

Chinese

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

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

Yes

No

Prefer not to say

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