



WEST OXFORDSHIRE
DISTRICT COUNCIL

WEST OXFORDSHIRE DISTRICT COUNCIL

Name and Date of Committee	EXECUTIVE – 13 DECEMBER 2023
Subject	COUNCIL TAX SUPPORT SCHEME 2024
Wards Affected	ALL
Accountable Member	Councillor Alaric Smith – Executive Member for Finance. Email: alaric.smith@westoxon.gov.uk
Accountable Officer	Jon Dearing – Assistant Director, Resident Services. Email: jon.dearing@publicagroup.uk
Report Author	Mandy Fathers – Business Manager, Environmental, Welfare and Revenues. Email: mandy.fathers@publicagroup.uk
Summary/Purpose	To present the results of the public consultation, on proposals for revising the current Council Tax Support scheme with effect from 1 April 2024.
Annexes	Annex A – Consultation Responses
Recommendations	That the Executive Resolves to: I. Recommend that Council: a) Agrees the increase in Council Tax Support, as detailed in paragraph 2.4, from 1 April 2024; b) Agrees that any surplus in the Support Fund is transferred over to 2024/2025, for reasons detailed in paragraphs 2.6 and 2.7; c) Approves the amendment to the Council Tax Support Policy as recommended in paragraph 2.8.
Corporate Priorities	<ul style="list-style-type: none">• Putting Residents First• A Good Quality of Life for All• Working Together for West Oxfordshire
Key Decision	YES
Exempt	NO
Consultees/	Full public consultation including consulting major precepting authorities.

Consultation	Chief Executive, Chief Finance Officer, Monitoring Officer, Interim Head of Legal Services. Assistant Director, Director of Finance (Publica)
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1. BACKGROUND

1.1 Councils are required to review their Council Tax Support (CTS) schemes each year for those people of working age and decide if they want to make any changes. Before any changes can be implemented, they must be subject to public consultation. In August 2023, officers proposed changes to the scheme, which Executive approved to be consulted upon.

2. MAIN POINTS

2.1 The Council implemented its own local CTS scheme to help those people on low incomes pay their Council Tax in April 2013. Further changes were made in April 2020 introducing the income banded scheme.

2.2 Since 2021 household income had increased which resulted in some households being moved into a higher income band, and therefore receiving a lesser percentage of support, so in 2022 proposals were made to amend income band 2 by £10.00 a week, income band 3 by £15 a week and income bands 4 to 6 by £25 a week. The Council approved these amendments in February 2023. The scheme was based on the following bands:

Income Band	Single £	Couple £	Lone Parent £	Couple with Children £	Maximum Entitlement %
1	0 - 125	0 - 140	0 - 175	0 - 225	100
2	125.01 - 185	140.01 - 200	175.01 - 210	225.01 - 285	80
3	185.01 - 240	200.01 - 255	210.01 - 265	285.01 - 340	60
4	240.01 - 295	255.01 - 310	265.01 - 320	340.01 - 395	30
5	295.01 - 350	310.01 - 365	320.01 - 375	395.01 - 450	10
6	350.01 +	365.01 +	375.01 +	450.01 +	0

2.3 With inflation around 6% in August, it is anticipated that national benefit payments will increase by this amount from April 2024. Without changes to the CTS scheme, this would result again in more households being moved into a higher income band and therefore having to pay a higher share of the Council Tax for their property.

2.4 Following discussions with Citizens Advice, and to support residents, proposals were made to: -

- increase income band 1 by 6%, which in turn would increase all subsequent income bands
- increase the maximum entitlement in band 4 from 30% to 40%, and band 5 from 10% to 20%
- expand all bands to account for larger families with more dependent children, as follows:
- extend backdating of claims from one calendar month to six calendar months, where 'good cause' is demonstrated

Income Band	Single	Couple	Lone + 1	Lone + 2	Lone + 3	Maximum % Entitlement
1	0 - 132.50	0 - 148.40	0 - 185.50	0 - 206.70	0 - 227.90	100
2	132.51 - 192.50	148.41 - 208.40	185.51 - 220.50	206.71 - 241.70	227.91 - 262.90	80
3	192.51 - 247.50	208.41 - 263.40	220.51 - 275.50	241.71 - 296.70	262.91 - 317.90	60
4	247.51 - 302.50	263.41 - 318.40	275.51 - 330.50	296.71 - 351.70	317.91 - 372.90	40
5	302.51 - 357.50	318.41 - 373.40	330.51 - 385.50	351.71 - 406.70	372.91 - 427.90	20
Income Band	Lone + 4	Couple + 1	Couple + 2	Couple + 3	Couple + 4	Maximum % Entitlement
1	0 - 270.30	0 - 238.50	0 - 259.70	0 - 280.90	0 - 323.30	100
2	270.31 - 305.30	238.51 - 298.50	259.71 - 319.70	280.91 - 340.90	323.31 - 383.30	80
3	305.31 - 360.30	298.51 - 353.50	319.71 - 374.70	340.91 - 395.90	383.31 - 438.30	60
4	360.31 - 415.30	353.51 - 408.50	374.71 - 429.70	395.91 - 450.90	438.31 - 493.30	40
5	415.31 - 470.30	408.51 - 463.50	429.71 - 484.70	450.91 - 505.90	493.31 - 548.30	20

2.5 A consultation took place for a six-week period between 11 September 2023 to 22 October 2023. A summary of response to the consultation can be found in Annex A, attached to this report.

2.6 In 2022/2023 the Council implemented a Hardship Fund to support those residents who were struggling financially and provided the Council with evidence of financial hardship. This fund was created with financial support from Oxfordshire County Council, and West Oxfordshire District Council. The fund was originally set at £100,000. To date there remains in excess of £90,000.

2.7 Recommendations are being made to transfer any funding surplus into the financial year 2024/2025 to ensure the Council continues to support those residents in financial hardship.

2.8 To protect the finances of the authority and in the interests of all council taxpayers, it is also recommended that an amendment to section 101 of the CTS Policy, Counter Fraud and Compliance be made to include:

- Where the Council has evidence of fraud and/or error, it reserves the right to withhold and/or recalculate Council Tax Support whether or not the customer is in receipt of a benefit administered by the Department for Work and Pensions.

2.9 This amendment will avoid delays within administration as well as the council recalculating CTS claims based on evidence obtained.

3. ALTERNATIVE OPTIONS

3.1 The criteria for the CTS scheme are at the Council's discretion, and therefore various alternative and options are open to the Council; however, any amendments must be consulted on, and the scheme must be approved by 11 March 2024.

4. FINANCIAL IMPLICATIONS

4.1 The Council administers a Council Tax Support scheme with an annual expenditure of £5.7 million. In 2013/2014, the government reduced the level of funding for the local scheme effectively creating a grant reduction of 10% a year across all the precepting authorities.

4.2 With effect from 2013/2014 the scheme was funded through Formula Grant rather than direct subsidy and consequently the government has transferred the risk, and therefore the cost, of increased take up within the scheme to the local taxpayer, from the national taxpayer. An increase in cost will lead to a reduced tax-base and therefore reduced income to the precepting bodies.

4.3 The proposed changes increase the cost of the CTS scheme by £170,726. This will be reflected in a decrease in the council tax base and council tax recognised in the collection fund. The decrease in income will be spread proportionately across the major precepting authorities (Oxfordshire County Council, The Office of the Police and Crime Commissioner and West Oxfordshire District Council as well as Town and Parish Councils) Making these proposed changes will decrease the total tax base by around seventy-seven band D properties and a loss of income as follows:

Financial Year	OCC	Police	West Oxfordshire	Town/Parish	Total
2024/2025	134,085.80	19,817.14	9,231.18	7,591.88	170,726

4.4 Any surplus funding from the Hardship Scheme will be rolled into 2024/2025.

5. LEGAL IMPLICATIONS

5.1 The Welfare Reform Act 2012 abolished Council Tax Benefit and instead required each authority to design a scheme specifying the reductions, which are to apply to amounts of council tax.

5.2 The CTS scheme is required under Section 13A of the Local Government Finance Act 1992 ("the Act"), as amended. The Act states that for each financial year, Billing Authorities must consider whether to revise their CTS scheme or replace it with another scheme. The

prescribed regulations set out the matters that must be included in such a scheme. Before making any changes, under Section 40 of the Act, the Council must:

- Consult with any major precepting authorities
- Publish the draft scheme
- Consult other parties likely to have an interest in the scheme

5.3 The deadline for making decisions is 11 March in the financial year preceding that for which the revision or replacement scheme is to take effect (under paragraph 5, schedule 1A of the Act). If the council does not make/revise a CTS scheme by 11 March 2024, a default scheme will be imposed on the Council, which will be effective from 1 April 2024.

6. RISK ASSESSMENT

6.1 There are two risks to consider:

- That the benefit caseload increases significantly, resulting in expenditure exceeding the levels estimated within this report
- That the administrations, collection and recover costs (including the costs for write-offs) could increase as a result of creating additional and relatively small liabilities

7. EQUALITIES IMPACT

7.1 To ensure compliant with the Equality Act 2010 an Equality Impact Assessment has been conducted which concludes there is no negative impact on any of the protected characteristics.

8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

8.1 None

9. BACKGROUND PAPERS

9.1 None

(END)