

<b>This report is public.</b>	
<b>Council Tax Reduction Scheme 2027/28</b>	
<b>Committee</b>	<b>Budget Planning Committee</b>
<b>Date of Committee</b>	30 June 2026
<b>Portfolio Holder presenting the report</b>	Councillor David Hingley Portfolio for Finance
<b>Date Portfolio Holder agreed report</b>	16 June 2026
<b>Report of</b>	Assistant Director of Finance (Section 151 Officer) Michael Furness

## **Purpose of report**

To enable members to consider the proposed banded scheme for Council Tax Reduction (CTR) Scheme for 2027/28.

### **1. Recommendations**

The Budget Planning Committee resolves:

- 1.1 To note the contents of the report, and any financial implications for the Council.
- 1.2 To recommend to Executive that the current scheme is retained for 2027/28.

### **2. Executive Summary**

- 2.1 To enable members to consider the proposed banded scheme for Council Tax Reduction for 2027/28.
- 2.2 The current scheme was introduced from April 2020 following a period of consultation and engagement. In general, it has been well received with limited contact from customers. It is proposed to continue with the current scheme uprated for inflation.
- 2.3 The scheme assesses the maximum level of Council Tax Reduction based on the net income of the applicant and household members; the main principles of the scheme remain unchanged. Pensioners are protected and continue to have their calculation of Council Tax Reduction based on 100% Council Tax liability.
- 2.4 If the applicant or partner is in receipt of a passported benefit such as Income Support Job Seekers Allowance (JSA), income based and income related Employment and Support Allowance (ESA) or receiving War widows or War disablement pensions they will be placed into the first of 8 bands and will receive 100% Council Tax Reduction. Working age households will receive a discount, depending on their level of income and the band that they fall into. The current scheme is understood by customers and has enabled them to budget for their council tax payments, and this is reflected in the Council Tax collection rates with Cherwell being one of the highest performers across

the county for 2025-26. The current scheme reduces the number of changes that the customer will experience with less bills and notification letters generated and enables better personal budgeting. There is still a lot of financial uncertainty for many customers in the current financial climate. Given the imminent timelines for Local Government Reform and the pending decision on the formation of unitary councils, it is recommended that the existing scheme be retained for 2027–28 to minimise disruption to customers during this period of change

## Implications & Impact Assessments

Implications	Commentary
<b>Finance</b>	<p>The MTFS has assumed the current scheme will be retained. Any changes to the existing caseload will be accommodated as part of the budget process with final estimates included in the annual council tax base calculation.</p> <p>Rachel Ainsworth – Finance Business Partner 09.06.2026</p>
<b>Legal</b>	<p>Since 1 April 2013, local authorities in England have been responsible for running their own local schemes for help with council tax. These are called Council Tax Reduction schemes.</p> <p>Section 13A of the Local Government Finance Act 1992 requires the Council as the billing authority to make a localised council tax reduction scheme in accordance with section 1A of the Act. Each financial year the council must consider whether it wants to revise the scheme, leave as is or replace it. Consultation must occur on any options required to change the scheme prior to introduction and is set out in Schedule 1A (3) of the Local Government Finance Act 1992. No changes to the scheme are being considered in this report.</p> <p>The 1992 Act provides that a billing authority's Council Tax Reduction Scheme must include prescribed matters set out in the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012. Therefore, the Council is required, without any exercise of discretion, to amend the CTR Scheme, to reflect any changes made to those regulations.</p> <p>Denzil Tubervill – Head of Legal 10.06.2026</p>
<b>Risk Management</b>	<p>There are no risk implications arising as a direct consequence of this report, if any arise, they will be managed through the service operational risk and escalated the leadership risk as and when deemed necessary.</p> <p>Celia Prado-Teeling, Performance Team Leader, 08.06.2026</p>

<b>Impact Assessments</b>	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>	<b>Commentary</b>
<b>Equality Impact</b>	x			This report, and the proposal to continue the Council Tax Reduction Scheme have been developed with our most vulnerable residents in mind. Any equality and diversity concerns have been appropriately considered from the outset, if a new proposal arises this will be screened for relevance against our statutory duties to promote equality and an impact assessment will be completed. Celia Prado-Teeling, Performance Team Leader, 08.06.2026
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?	x			
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		
<b>Climate &amp; Environmental Impact</b>				The continuation of the banded Council Tax Reduction Scheme supports a reduction in printed bills, notifications, and administrative correspondence, contributing to a modest reduction in the Council's operational carbon footprint.  Although the direct environmental impact is relatively small, the scheme is consistent with the Council's Climate Action Plan by embedding low-carbon principles within service delivery and supporting incremental emissions reduction across Council operations.  Hitesh Mahawar, Climate Change Programme Manager 10.06.2026
<b>ICT &amp; Digital Impact</b>				N/A
<b>Data Impact</b>				None required. The scheme uses only existing data held. No further personal data will be requested, obtained, held, or published.

<b>Procurement &amp; subsidy</b>				N/A
<b>Council Priorities</b>				
<b>Human Resources</b>	N/A			
<b>Property</b>	N/A			
<b>Consultation &amp; Engagement</b>	There are no proposed changes therefore no consultation is required.			

## Supporting Information

### 3. Background

- 3.1 The Council Tax Reduction caseload has been monitored and there has been a reduction in the number of live cases from 6,035 in June 2024 to 5926 as of April 2025 and an increase to 5957 as of June 2026.
- 3.2 As working age customers transition onto Universal Credit they are not always advised by the Department for Work and Pensions (DWP) that in order to make a claim for Council Tax Reduction (CTR), prior to April 2026 they would need to make this directly with the local authority, which caused the caseload to fluctuate when backdated requests for CTR were received throughout the year.
- 3.3 Since 1 April 2026, new Universal Credit (UC) claims received via the DWP data share have been treated as Council Tax Reduction (CTR) claims where there is a liability for council tax. Previously, applicants were required to submit a separate CTR claim to the local authority.

This automated process has resulted in a modest increase in the CTR caseload compared to the same period last year, reversing a year-on-year decline observed since June 2024. The increase is directly attributable to the onboarding of UC claims from April 2026.

By capturing claims at the earliest point of contact, this approach maximises entitlement, supports the reduction of council tax arrears, and may contribute to improved collection rates. Early data from April to June 2026 indicates an increase of 127 new CTR claims as a result of this change.

- 3.4 The in-year Council Tax collection rate for the 2022/23 financial year was 98.05% compared to 98.02% in 2023/24 unchanged for 2024/25 at 98.02%, and 97.81% for 2025/26 which remains one of the highest rates within the Oxfordshire authorities.

In considering the CTR Scheme for 2027/28 members should be mindful that any changes to the scheme that reduce entitlement to CTRS could have an adverse impact on collection rates.

## 4. Details

- 4.1 Since the introduction of the CTRS the benefits landscape has drastically changed. Universal Credit (UC) is based on real time information which means that any change in income generates a change in CTR through data files received directly from the DWP. Residents were therefore, receiving multiple bills and letters during the year making the process a poor user experience and making budgeting for individuals very difficult.
- 4.2 In December 2019 the Council agreed to move to an income banded scheme for customers that were of working age. The scheme assesses the maximum level of CTR based on the net income of the applicant and household members, the main principles of the scheme are as follows:
- If the applicant or partner is in receipt of one of the passported benefits (Income Support, Job Seeker's Allowance Income Based and Income Related Employment and Support Allowance or receiving War Widows or War Disablement Pensions they will automatically be placed in the highest band of the scheme and will receive 100% support.
  - Working age households will receive a discount, depending on their level of income and the band that they fall into.
  - Under this scheme, as part of our ongoing commitment to support disabled people, we will continue to disregard Disability Living Allowance, Personal Independence Payments, Attendance Allowance, War Disablement Benefits and will also continue to disregard Child Benefit and child maintenance.
  - As highlighted earlier in this report the introduction of Universal Credit and Real Time Information files means that customers can experience frequent changes in their Council Tax Reduction which in turn impacts on the amount of Council Tax payable. This makes budgeting for households more of a challenge and is impacting on our ability to collect Council Tax. The banded scheme is simpler for residents to understand and any future changes to the value of awards can be achieved by simply adjusting the banding thresholds.
  - Residents experience less change in their CTR, and the scheme reduces the number of letters and Council Tax demands issued. The Council has continued to see an overall reduction in printed mail and dispatch packs year on year with the introduction of the banded CTR scheme.
- 4.3 The current scheme was introduced from April 2020 following a period of consultation and engagement. In general, it has been well received with limited contact from customers affected by the change.
- 4.4 There is a requirement to consult with the public, major preceptors, and other parties, who may have an interest in the CTR Scheme on any material changes to the scheme. If members would like to consider a change to the current banded scheme, then a full consultation will need to be undertaken.

- 4.5 Any amendments proposed to the scheme (other than uprating thresholds for inflation) would require significant consultation to take place. If any changes were made to the scheme, it is unlikely to generate significant additional resources to the Council.
- 4.6 The widening of the claiming process to include Universal Credit claimants as CTR claimants by accepting the DWP information through the data sharing agreement, as a claim for CTR has maximised potential entitlement by reaching customers at the nearest point of contact and simplifying access to claiming CTR for working age customers receiving UC.
- 4.7 The UC new claims received directly from DWP data sharing have been monitored from April to June 2026 and this has shown the authority has received 127 UC new claims that have been automatically processed for CTR and has maximised entitlement, and it is anticipated will increase Council Tax collection rates and reduce administration due to a reduction in the requirement for the claimant to produce evidence and complete a council form, this will be better evidenced by closing figures for the scheme for 2026/27. This approach has provided an efficient mechanism for claiming in all future schemes. The Council has included information on its website and informed stakeholders.
- 4.8 The recommended approach is to maintain the existing Council Tax Reduction Scheme for 2027–28. This as the most stable and proportionate option in advance of planned local government reorganisation in 2028.

At a time when significant structural change is anticipated, retaining the current scheme ensures continuity for residents and avoids introducing unnecessary complexity, risk, and administrative burden during a period of transition.

Keeping the scheme unchanged also provides a consistent and reliable framework while future arrangements are developed at a wider organisational level. This avoids the need for short-term amendments that may subsequently require alignment or reversal under new governance structures, ensuring a more efficient use of resources and supporting a smoother transition into the reorganised authority.

## **5. Alternative Options and Reasons for Rejection**

- 5.1 The alternative option is to undertake a review of the current CTRS scheme but 6.1 6.2 and 6.3 explains the rationale for not taking this course of action.

## **6 Conclusion and Reasons for Recommendations**

- 6.1 At a time when significant structural change is anticipated, retaining the current scheme ensures continuity for residents and avoids introducing unnecessary complexity, risk, and administrative burden during a period of transition.

- 6.2 The current scheme is understood by customers and has enabled them to budget for their council tax payments. One of the main advantages of the banded scheme is that it reduces the number of changes that the customer will experience enabling more effective personal budgeting.
- 6.3 There is still a lot of financial uncertainty for many customers and in the current financial climate with the ongoing cost of living crisis it is therefore recommended that the existing scheme should be retained for 2027/28.

## Decision Information

<b>Key Decision</b>	N/A
<b>Subject to Call in</b>	N/A
<b>If not, why not subject to call in</b>	N/A
<b>Ward(s) Affected</b>	All

## Document Information

<b>Appendices</b>	
<b>Appendix 1</b>	N/A
<b>Background Papers</b>	No
<b>Reference Papers</b>	N/A
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