

## Report to Council

# Council Tax Reduction Scheme 2026/27

**Portfolio Holder:** Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance, Corporate Services and Sustainability

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**04 March 2026**

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## Reason for Decision

The purpose of this report is to present to Council the proposed Council Tax Reduction Scheme for 2026/27.

## Executive Summary

The Council is required to review its Council Tax Reduction (CTR) Scheme each year and decide whether to revise it or leave it unchanged.

A major consultation exercise has not been undertaken regarding changes to the CTR scheme and the Greater Manchester Combined Authority has been provisionally advised that no change to the scheme is proposed. In this regard, the proposal is that the CTR scheme for 2026/27 remains the same as that operating in 2025/26 and, therefore, no consultation exercise is required. The current CTR scheme provides a maximum reduction equivalent to 85% of the Council Tax charge for a Band A property and this has been unchanged since 2014/15.

The scheme continues to meet the needs of residents and remains in line with national regulations.

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Caseload has continued to gradually decrease, and there have been no national or legislative changes that would require any local amendment.

During 2026/27, officers will scope potential options for 2027/28 to assess whether any amendments to the scheme would provide value for money. This will include consideration of the cost of system changes, any potential administrative savings, and the ongoing need to ensure the scheme continues to support residents effectively.

### **Recommendation**

It is recommended that Council approves that the existing Council Tax Reduction Scheme remains unchanged for 2026/27.

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## Council

### Council Tax Reduction Scheme 2026/27

#### 1 Background

- 1.1 The Council Tax Reduction Scheme was introduced in April 2013 when the Government replaced the national Council Tax Benefit system with locally determined schemes. At that time, Government funding for the new local schemes was reduced by around 10%.
- 1.2 Oldham Council developed its local scheme to operate within the reduced level of funding while continuing to provide appropriate support to residents on low incomes. Since then, the Council has maintained a local scheme that mirrors the principles of the former national scheme, with annual reviews to ensure it remains fair, affordable, and effective.
- 1.3 Funding for Council Tax Reduction is now included within the Council's overall financial settlement and is no longer provided as a separate grant. This means that any change to the local scheme must be funded from within existing Council resources.
- 1.4 Under national regulations, pension-age residents are protected through a prescribed scheme set by the Ministry of Housing, Communities and Local Government (MHCLG). Local discretion applies only to working-age residents. Oldham's scheme continues to mirror the national approach as far as possible, to maintain fairness, simplicity, and consistency of administration.
- 1.5 The legislation confers an obligation on the Council to consider whether to review the CTR scheme on an annual basis. The scheme cannot be amended in-year and can only be changed following consultation with the public and the major preceptor, the Greater Manchester Combined Authority (GMCA) on behalf of the Mayor of Greater Manchester and the Greater Manchester Police and Crime Commissioner.

The Council's key objectives for maintaining a local Council Tax Reduction Scheme remain:

- Supporting residents on low incomes.
- Providing work incentives where possible, and
- Maintaining high levels of Council Tax collection to protect essential local services.

When the local scheme was first introduced, it followed an extensive public consultation process. The current scheme design therefore reflects the principles agreed through that consultation and has been reviewed each year since its introduction.

Minor administrative changes have been made over time to reflect national welfare reforms, such as the rollout of Universal Credit and the annual uprating of applicable amounts and income disregards. However, the overall design and intent of the scheme have remained consistent since 2013/14.

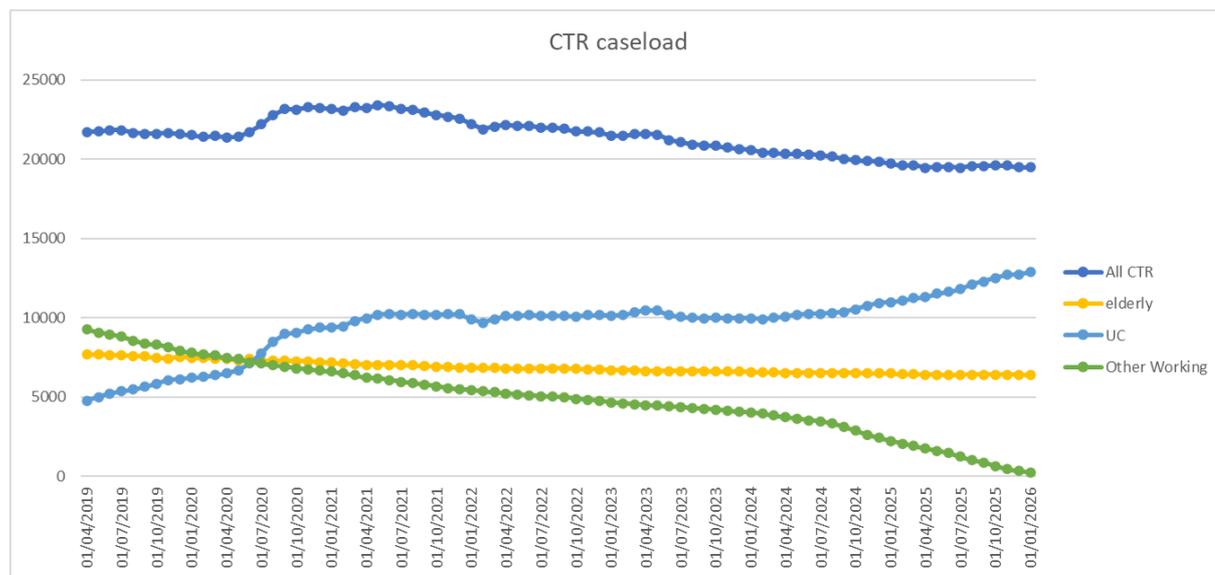
Oldham also continues to disregard War Disablement Pensions, War Widows' Pensions and Armed Forces Compensation Payments in full, as part of the Council's commitment to support veterans and their families.

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## 2 Current Position

- 2.1 The Council currently has a CTR scheme that awards a maximum payment of 85% of a Band A rate of Council Tax and has removed the provision to award second adult rebate for claimants of working age. From April 2019, the Council also introduced changes to support CTR claimants in receipt of Universal Credit (UC) including the application of some earnings disregards and the use of DWP information as a claim for CTR.
- 2.2 The Council has maintained the same maximum level of support for working age claimants at 85% since 2014/15. The minimum weekly payment has risen from £3.64 in 2019/20 to £4.70 in 2025/26, because of annual increases in Council Tax charges.
- 2.3 On 1 January 2026, there were 13,108 working age CTR claimants. Current projections for the annual collection rate for CTR cases due in 2025/26 suggest a collection rate of between 75-80%. Given the 5% collection rate range, this is potentially lower CTR collection rate to that recovered in 2024/25 (78.36%) and 2023/24 (78.20%), although an 80% collection rate would compare well to both years.
- 2.4 A reduced collection rate of 1% of CTR debt could result in a reduction of £55k in Council Tax receipts for 2026/27 and hence reduce the resources available to support the financial position of the Council in future years (it should be noted that changes in relation to Council Tax income impact one year in arrears given the accounting arrangements that must be applied).
- 2.5 The roll out of the full service of UC commenced in Oldham from April 2017. UC is a single monthly payment which replaces six working age benefits (known as legacy benefits). These are Housing Benefit (HB), Income Support (IS), Working Tax Credits (WTC), Child Tax Credit (CTC), Employment and Support Allowance (ESA) (Income-related) and Job Seekers Allowance (JSA) (Income-related). The roll out of UC follows a process of natural migration i.e., as a claimant experiences a relevant change of circumstances such as becoming fit for work, entitlement to legacy benefits ends and UC must be claimed instead.
- 2.6 From April 2023, the DWP reinstated the UC managed migration programme which was suspended during the period of the COVID-19 pandemic starting with all claimants in receipt of tax credits. Migration notices have been issued to claimants in Oldham since June 2023.
- 2.7 The DWP has committed to completing the migration of all legacy welfare benefits by the end of 2025/26. This means that the Council would not be able to predict the impact and cost of an amended CTR scheme accurately for working age claimants for 2026/27.
- 2.8 In most cases, claimants in receipt of legacy welfare benefits receive a higher income than those residents in receipt of UC. This means that residents on legacy welfare benefits receive less support under the current CTR scheme.
- 2.9 As of 1 January 2026, the overall CTR caseload was 19,495. The caseload for those of pensionable age remains relatively static but Table 1 below demonstrates how CTR claims from those who are in receipt of UC are increasing as other working age CTR cases are reducing, for example, from those who are in receipt of HB. The management of UC/CTR creates an administrative burden for Local Authorities as data files are received each month confirming changes to entitlement however small.

**Table 1: CTR Caseload Changes**



2.10 The existing scheme for 2025/26 has operated effectively, providing financial assistance to residents who need support with their Council Tax. There have been no national legislative changes affecting local schemes for 2026/27. As a result, there is no requirement to amend the local scheme, which remains compliant with all relevant regulations and guidance.

2.11 It is therefore proposed that the current Council Tax Reduction Scheme continues unchanged for 2026/27, covering the period from 1 April 2026 to 31 March 2027

2.12 The review for 2026/27 found no operational, legislative or financial factors that require amendment to the current scheme. It continues to run effectively and remains consistent with national requirements. Given the cost and lead-in time of system development, it is more appropriate to maintain the current design while a wider review is scoped during 2026/27 to inform the 2027/28 scheme.

2.13 The Council continues to make awards to residents who are experiencing severe financial hardship under the Exceptional Hardship Payments (EHP) scheme and resource is available to support those who have difficulty in paying Council Tax.

### 3 Options/Alternatives

3.1 The Council is required to review its Council Tax Reduction scheme each year and determine whether any changes are needed. The review for 2026/27 found no operational, legislative or financial factors requiring amendment. Given the time required to design and consult on changes, it would not have been possible to implement any amendments for 2026/27, and a full review will be undertaken during 2026/27 to inform the 2027/28 scheme.

### 4 Preferred Option

4.1 The preferred option is that the that Council approves that the existing Council Tax Reduction Scheme remains unchanged for 2026/27.

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## 5 Consultation

- 5.1 Any changes to the 2026/27 scheme require prior consultation with the major preceptor, the GMCA, with regard to the Mayoral Police and Crime Commissioner precept and Mayoral General Services precept including Fire Services. There would also be a requirement to carry out a public consultation.
- 5.2 No public consultation has been launched and should Council not accept the recommended approach and consider a change to the 2026/27 scheme was appropriate, then the timeline for such a consultation exercise would be extremely limited. The Council has provisionally notified GMCA of its intention not to amend the CTR scheme in 2026/27.
- 5.3 There is no requirement to undertake public consultation if the scheme is left unchanged.

## 6 Financial Implications

- 6.1 Approving the preferred option to retain the existing Council Tax Reduction Scheme for 2026/27 carries no additional financial burden, avoids the costs associated with consultation and system changes, and ensures continued support for residents experiencing financial hardship, while allowing sufficient time for a comprehensive review to inform the 2027/28 scheme.

(Matthew Kearns – Finance Manager)

## 7 Legal Services Comments

- 7.1 The legislation states that each year an authority must consider whether to revise its Council Tax Reduction scheme.
- 7.2 The revision of a scheme is a decision that the legislation reserves to full Council. Any revision to apply to the scheme for the following year must be made no later than 10 March of the preceding financial year.
- 7.3 No revision of a scheme can occur unless the authority has, in the following order:
  - 1. Consulted with the major precepting authority – The Greater Manchester Combined Authority.
  - 2. Published a draft proposed scheme
  - 3. Consulted with others likely to have an interest in the scheme.
- 7.4 In order to discharge its duties under the Equality Act 2010, the authority will need to consider the effects of proposals on people with a protected characteristic as defined by the Act, which can be done by way of an equality impact assessment.
- 7.5 In this circumstance, vulnerable residents and residents generally will benefit from the option proposed i.e. no change. It would therefore be unlikely that any legal challenge would ensue from not changing the policy. (Alex Bougatef – Director Legal Services)

## 8 Co-operative Implications

- 8.1 The approval of support for residents who are of working age and on low incomes is consistent with and embraces the principles of the co-operative agenda.

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## 9 Human Resources Comments

9.1 None

## 10 Risk Assessments

10.1 The recommended option is in line with the decision in previous years to keep the scheme at the same level of deduction. As per previous years there are several risks that continue to be managed during this process:

- Ensuring the scheme is not subject to a legal challenge on the basis of equality legislation, although as the recommended option seeks no changes to the scheme this risk is considered to be extremely low, and an equality impact assessment should consider the effects of proposals on people with a protected characteristic.
- Ensuring that the scheme is both fair and affordable to the Council in 2026/27, particularly as it will only be based on collection rates information from part of the financial year.
- There continues to be a challenging financial environment facing both the Council and Council Taxpayers, however, the agreement of the scheme for 2026/27 is one key element of the Council's financial strategy and an unchanged scheme provides certainty for residents in receipt of council tax reduction.
- To maintain public confidence in the Council's ability to protect public money we will work closely with Department for Work and Pensions where appropriate in relation to those suspected of potentially committing fraud. (Heather Moore, Assistant Director of Governance)

## 11 IT Implications

11.1 There are no IT implications.

## 12 Property Implications

12.1 There are no property implications.

## 13 Procurement Implications

13.1 There are no Procurement implications.

## 14 Environmental and Health & Safety Implications

14.1 There are no Environmental and health and Safety Implications

## 15 Community cohesion disorder implications in accordance with Section 17 of the Crime and Disorder Act 1998

15.1 In taking financial decisions, the Council must demonstrate that it has given 'due regard' to the need to eliminate discrimination, promote equality of opportunity and promote good relations between different groups.

15.2 Demonstrating that 'due regard' has been given involves:

- Assessing the potential equality impacts of proposed decisions at an appropriate stage in the decision-making process so that it informs the development of policy and is considered before a decision is taken
- Ensuring that decision makers are aware of equality duties and any potential equality issues when making decisions.

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N.B. Having due regard does not mean the Council cannot make decisions which have the potential to impact disproportionately. It means that we must be clear where this is the case and must be able to demonstrate that we have consulted, understood and mitigated the impact.

15.3 To ensure that the process of impact assessment is robust, it needs to:

- Be specific to each individual proposal
- Be clear about the purpose of the proposal
- Consider available evidence
- Include consultation and involvement with those affected by the decision, where appropriate
- Consider proposals for mitigating any negative impact on particular groups
- Set out arrangements for monitoring the actual impact of the proposal

15.4 As with previous Council Tax Reduction Schemes from 2013, an Equality Impact Assessment has been prepared to try to identify any potential disproportionate adverse impact arising from the proposed scheme and to identify any actions which might mitigate these impacts.

## 16 **Oldham Impact Assessment Completed (Including impact on Children and Young People)**

16.1 An Oldham Equality Impact Assessment is set out at Appendix 1.

## 17 **Key Decision**

17.1 Yes

## 18 **Key Decision Reference**

18.1 FCR-12-25

## 19 **Background Papers**

19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref:	Background papers are included at Appendix 1
Officer Name:	Adam Parsey – Interim Head of Revenues
Contact:	<a href="mailto:adam.parsey@oldham.gov.uk">adam.parsey@oldham.gov.uk</a>

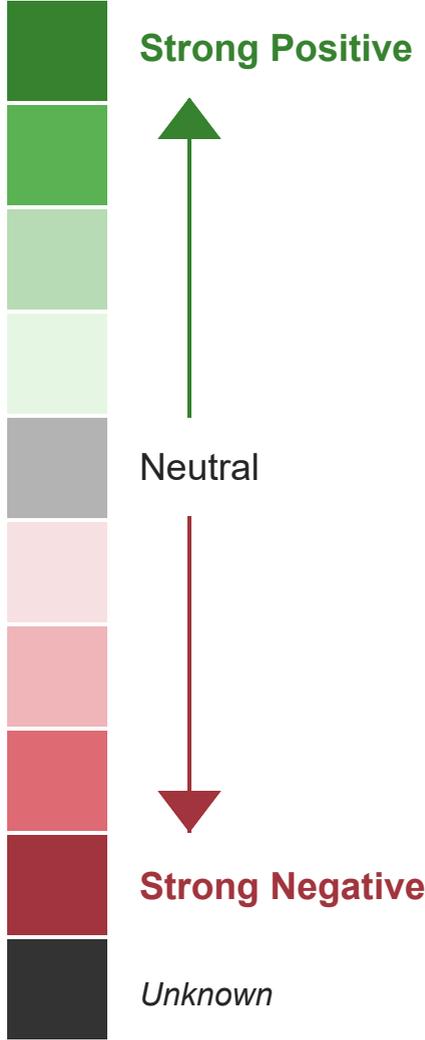
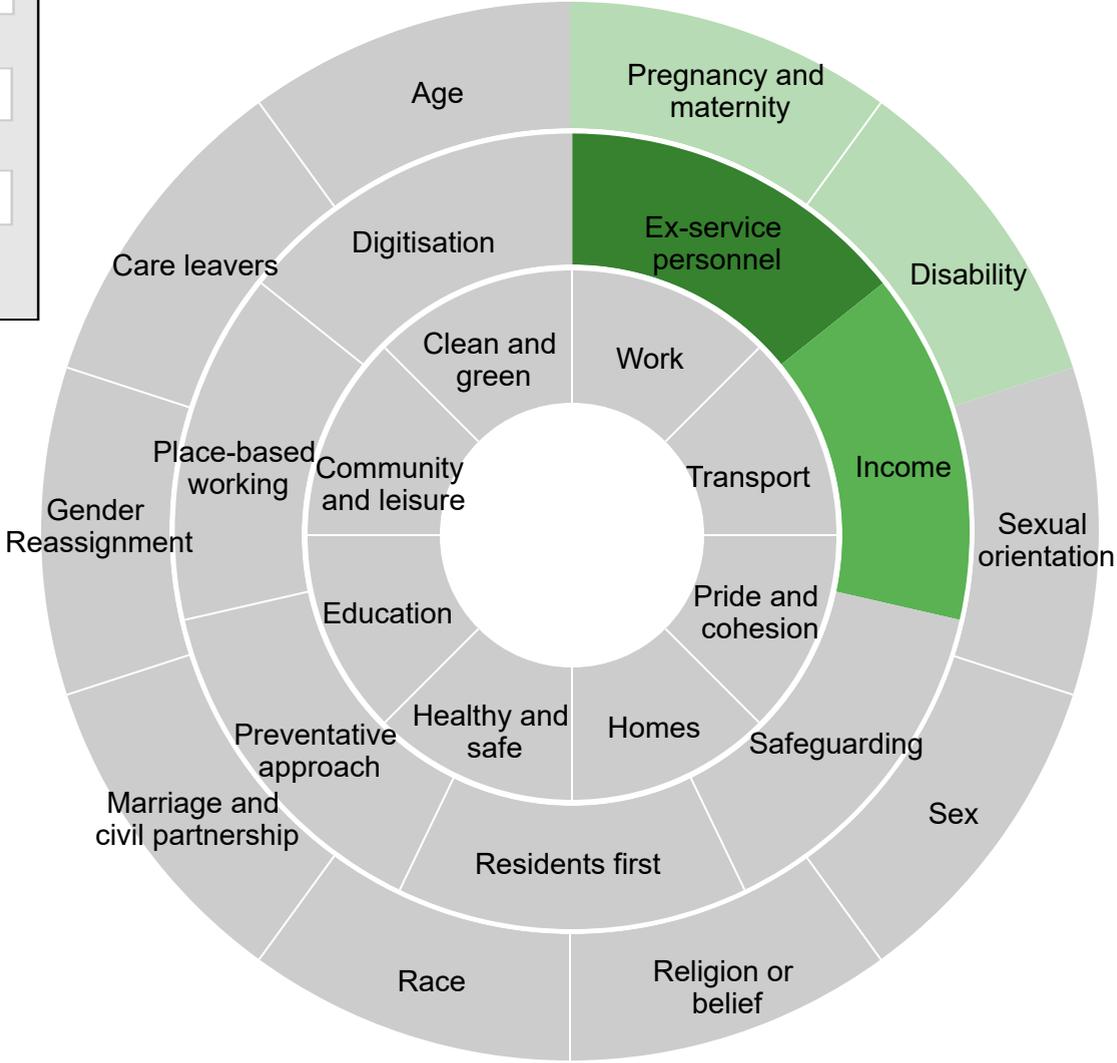
## 20 **Appendices**

20.1 Appendix 1 – Oldham Equality Impact Assessment

# Council Tax Reduction Scheme 2026-27

completed/last updated by Mark Edmondson on 29/10/2025

Portfolio
Finance, Corporate Services & Sustainability
Directorate
Finance
Service/Team
Finance
Is this IA related to a Budget Reduction proposal? <input type="checkbox"/> No



# Equality Characteristics

Category	Impact	Likely	Duration	Impact Score	Comment
Age	Neutral	Very Likely	Short Term	0	
Care leavers	Neutral	Very Likely	Short Term	0	
Gender Reassignment	Neutral	Very Likely	Short Term	0	
Marriage and civil partnership	Neutral	Very Likely	Short Term	0	
Race	Neutral	Very Likely	Short Term	0	
Religion or belief	Neutral	Very Likely	Short Term	0	
Sex	Neutral	Very Likely	Short Term	0	
Sexual orientation	Neutral	Very Likely	Short Term	0	
Disability	Moderate Positive	Very Likely	Short Term	2	Residents in receipt of disability premium will have an increased applicable amount (See income), and may be eligible for further Council Tax Reduction.
Pregnancy and maternity	Moderate Positive	Very Likely	Short Term	2	Residents whose household income drops below the applicable amount set by the Department for Works and Pensions may be entitled to Council Tax reduction.

## Corporate Priorities

Category	Impact	Likely	Duration	Impact Score	Comment
Digitisation	Neutral	Very Likely	Short Term	0	
Place-based working	Neutral	Very Likely	Short Term	0	
Preventative approach	Neutral	Very Likely	Short Term	0	
Residents first	Neutral	Very Likely	Short Term	0	
Safeguarding	Neutral	Very Likely	Short Term	0	
Income	Moderate Positive	Very Likely	Long Term	4	The CTR Scheme provides financial support to residents who receive a range of benefits including Universal Credit. The amount awarded depends on how much a household's income is less than or equal to their Applicable Amount. The Applicable Amount is the amount of monthly income the government calculates that different categories of household need to live.
Ex-service personnel	Strong Positive	Very Likely	Long Term	8	Income relating to Armed Forces pensions will be disregarding for the purposes of calculating Council Tax reduction.

## Future Oldham Aims

Category	Impact	Likely	Duration	Impact Score	Comment
Clean and green	Neutral	Very Likely	Short Term	0	
Community and leisure	Neutral	Very Likely	Short Term	0	
Education	Neutral	Very Likely	Short Term	0	
Healthy and safe	Neutral	Very Likely	Short Term	0	
Homes	Neutral	Very Likely	Short Term	0	
Pride and cohesion	Neutral	Very Likely	Short Term	0	
Transport	Neutral	Very Likely	Short Term	0	
Work	Neutral	Very Likely	Short Term	0	

## Negative Impacts

Category	Impact	Likely	Duration	Impact Score	What action can be taken to mitigate the potential negative impacts?	Action(s)	Owner(s)	Timescale(s)	If the negative impacts can't be mitigated, why should the project/decision proceed?
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# Strong Positive Impacts that are Possible

Category	Impact	Likely	Duration	Impact Score	What action can be taken to increase the likelihood that positive impacts are realised?	Action(s)	Owner(s)	Timescale(s)
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