Report to the Chief Executive

Council Tax Reduction Scheme 2027/28

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30th November 2026

Reason for Decision

The reason for this decision is to get approval for the proposed Council Tax Reduction Scheme for 2027/28. This decision must also be approved by Full Council.

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 2027/28 remains the same as that operating in 2026/27, apart from minor amendments to keep it in line with the Housing Benefit scheme e.g. uprating etc., and, therefore, no consultation exercise is required. The current CTR scheme provides a maximum reduction equivalent to 85% of the Council Tax charge for 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.

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

During 2027/28, officers will scope potential options for 2028/29 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.

Recommendations

It is recommended that the Chief Executive gives approval that the existing Council Tax Reduction Scheme remains unchanged, apart from minor amendments to keep it in line with the Housing Benefit scheme e.g., uprating etc., for 2027/28.

Pre-Decision Scrutiny **19th November 2026**
Leaders' Consultative Session **30th November 2026**

Council Tax Reduction Scheme 2027/28

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.

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 £4.98 in 2026/27, because of annual increases in Council Tax charges.

2.3 On 1 October 2026, there were 13,298 working age CTR claimants. Current projections for the annual collection rate for CTR cases due in 2026/27 suggest a collection rate of between 75-80%. Given the 5% collection rate range, this is potentially a lower CTR collection rate to that recovered in 2025/26 (76.87%) and 2024/25 (78.36%), although an 80% collection rate would compare well to both years.

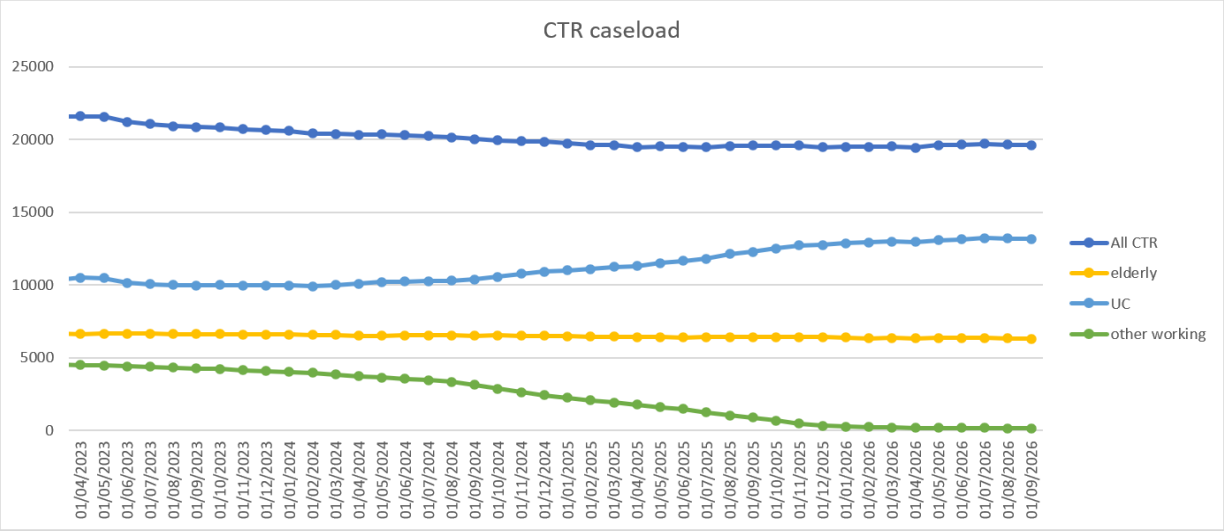
2.4 A reduced collection rate of 1% of CTR debt could result in a reduction of £55k in Council Tax receipts for 2027/28 and hence reduce the resources available to support the financial position of the Council in future years (it should be noted that changes in relation to Council Tax income impact one year in arrears given the accounting arrangements that must be applied).

2.5 The DWP has now completed the migration of all legacy welfare benefits to Universal Credit. 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.

2.6 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.

2.7 As of 1 October 2026, the overall CTR caseload was 19,605. 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



2.8 The existing scheme for 2026/27 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 2027/28. As a result, there is no requirement to amend the local scheme, which remains compliant with all relevant regulations and guidance.

2.9 It is therefore proposed that the current Council Tax Reduction Scheme continues unchanged for 2027/28, covering the period from 1 April 2027 to 31 March 2028

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2.10 The review for 2027/28 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 2027/28 to inform the 2028/29 scheme.

2.11 The Council continues to make awards to residents who are experiencing severe financial hardship under the Exceptional Hardship Payments (EHP) scheme and resources are 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 2027/28 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 2027/28, and a full review will be undertaken during 2027/28 to inform the 2028/29 scheme.

3 Preferred Option

3.1 The preferred option is that the Chief Executive approves that the existing Council Tax Reduction Scheme remains unchanged, apart from minor amendments to keep it in line with the Housing Benefit scheme e.g., uprating etc., for 2027/28, and seeks approval from Full Council.

4 Consultation

4.1 Any changes to the 2027/28 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 public consultation.

4.2 No public consultation has been launched and should Council not accept the recommended approach and consider a change to the 2027/28 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 2027/28.

4.3 There is no requirement to undertake public consultation if the scheme is left unchanged.

5 Financial Implications

5.1 The proposal to retain the existing Council Tax Reduction Scheme for 2027/28, with only minor uprating and administrative amendments, has no additional financial implications. Retaining the current scheme avoids the costs associated with consultation, policy redesign and system changes whilst continuing to provide support to residents on low

incomes. A broader review of the scheme will be undertaken during 2027/28 to inform future options for implementation from 2028/29.

(Matthew Kearns, Finance Manager).

6 Legal Implications

6.1 The legislation states that each year an authority must consider whether to revise its Council Tax Reduction scheme.

6.2 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.

6.3 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.

6.4 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.

6.5 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.

Alan Evans, Group Solicitor (Environment)

7 Procurement Implications

7.1 None.

Tom Pyne, Assistant Director Procurement, Contract Management and Social Value.

7.1 [All reports must include this heading. The reports when drafted should be emailed to the procurement team who will either provide comments to be included in the report or confirm that s/he has no comments in which case the word “none” should be typed in under the heading. When comments are inserted into your report include the name of the person in the Procurement Team at the end of the comments. Ditto the complexity issue mentioned above. Name not initial of person signing off]

8 Equality Impact, including implications for Children and Young People

8.1 Yes

9 Key Decision

9.1 Yes

10 Key Decision Reference

10.1 KDD-26-50

11 **Appendices & Background Papers**

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

Approved by the Chief Executive following consultation with the political group leaders who were in attendance as follows:- Councillors: Decision made under the authorisation contained in Section 9C (5) Delegations of Specific Officers of Part 3 (Responsibility for Functions) and Section 3.6 of Part 4 (Executive Procedure Rules) of the Council Constitution for the Chief Executive to take emergency decisions in respect of the Council's executive functions.
Signed: Shelley Kipling, Chief Executive Dated:
Date of Leaders' Consultative meeting:
Summary of feedback from the political group leaders