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Via email only

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20 October, 2023

Dear Mark

Re: Consultation on possible changes to Wiltshire Council's Council Tax Reduction Scheme 2024 onward.

Wiltshire Council is looking to make possible changes to its local Council Tax Reduction (CTR) Scheme for working aged people to ensure it continues to support those who need it and to better accommodate the Government's plans to move low-income households on legacy benefits to Universal Credit.

The impact of the cost-of-living crisis, the migration of households to Universal Credit and analysis of council tax arrears has led the council to consider, and consult, on a number of potential changes to the CTR scheme to better support residents. These changes have been consolidated into proposals and will be the subject of public consultation which will run until 27 November 2023.

If the changes are all implemented this will impact on the tax base and the tax base setting process with effect from April 2024. There are further steps that the council will take to mitigate the costs but ultimately the proposals will not be cost neutral.

Your views on the proposals are important to us. A link to the cabinet report, where this was discussed on 12 September 2023, and the questionnaire is attached below.

The Council Tax Reduction (CTR) Scheme started in April 2013 and for the last decade, Wiltshire Council has operated two council tax reduction schemes. The council is currently in the process of developing plans for its scheme that specifically supports working age people only. The scheme that supports people of pensionable age is a national one and there are no changes planned for that.

Currently two thirds of all working age households in receipt of council tax reduction also receive Universal Credit. This number is expected to grow as working age households migrate from legacy benefits to Universal Credit. The Department of Work and Pensions notifies the authority of every change to a customer's Universal Credit. When the Council Tax Reduction Scheme was first introduced it was designed to accommodate changes that

we hoped to be minimal, but the council currently receives 8,000 changes per month. These variations can delay support for people who need it quickly as it results in frequent but minor adjustments which cause the amendment and recalculation of council tax bills and confusion for the customer.

There are further concerns revealed by analysis of council tax arrears. Twenty-nine percent of debt (£6.5m) due at the end of March 2023 was owed by households on low-income currently in receipt of CTR. Many households who qualify for the scheme do not receive 100% reduction in council tax but they are not paying the shortfall either, often due to the frequent recalculation of their bill which occurs under the current scheme.

Wiltshire Council's Cabinet has approved a consultation process on a number of changes and these have been consolidated to make the consultation process easier. If agreed, the aim of the potential changes is to provide a simpler claims process for all concerned which is better suited to the current economic climate. There is no intention to reduce the current level of support provided, particularly to those in protected group but to focus support on those who are expected to make contributions toward their bill and who experience the most frequent fluctuations in their income.

If all of the proposals are accepted it is estimated that the cost of the scheme could rise by £3.28m, the majority of which will be absorbed by Wiltshire Council, however it will have an impact on the calculation of your taxbase for the new financial year.

Further correspondence will be sent to you during the consultation period to confirm your taxbase for the calculation of council in 2024/25.

Having established the rationale for changing the Council Tax Reduction scheme the consultation process provides an opportunity to gather your views on the proposals.

I look forward to hearing from you.

Yours sincerely



Andy Brown
Director of Resources

Cabinet report from 12 September 2023

<https://cms.wiltshire.gov.uk/documents/s218607/Council%20Tax%20Reduction%20Scheme%20Second%20Homes.pdf>

Link to consultation and more information

<https://www.wiltshire.gov.uk/benefits-council-tax-reduction>