

## Appendix 1

### Gedling Borough Council 15<sup>th</sup> November 2017 Council Tax Reduction Scheme options

**Maximum award** - under the current scheme a claimant may be entitled to a 100% reduction of their entire Council Tax liability for the year due to their low level of income. One option for change is to reduce the award to a claimant to 80% of the full year amount, and so they would have to pay 20%. Typically for a household of 2 parents and two children in a Band A property on Job Seekers Allowance this would mean paying £236 per year or £4.50 per week.

**Band restriction** – For example, a claimant in a Band C property would only get the CTRS level of a Band A property. Typically for a household of 2 parents and two children in a Band C property on Job Seekers Allowance this would mean paying £390 per year or £7.50 per week.

**Increase non-dependant deduction** – under the current scheme any entitlement to CTRS is reduced by £7.50 per week for any additional resident over the age of 18. One option for consideration is to increase that to £10, a loss of £130 per year for the household.

**Increase taper rate** – under the current scheme, if a claimant's income is higher than their applicable amount (which is a government set of allowances and premiums reflecting the amount that a household "needs" to live on), the CTRS would be reduced by 20% of the excess. This option is to increase the taper to 25%. The claimant would have to pay more as their CTRS entitlement would be less.

**Disregard for child benefit, minimum wage assumption, and minimal award** are either self-explanatory or small changes.

**Capital Limit** - Below is some further information in respect of how much savings a claimant is allowed before being excluded from CTRS (current limit is £6,000). Any changes to this capital limit could result in the following savings:

- |   |          |                   |  |
|---|----------|-------------------|--|
| a) Capital greater than £2,000            |          |                   |  |
| Total savings across all major preceptors | £267,813 | Gedling's savings | £23,942    number of households affected 301 |
| b) Capital greater than £3,000            |          |                   |  |
| Total savings across all major preceptors | £185,318 | Gedling's savings | £16,567    number of households affected 212 |
| c) Capital greater than £4,000            |          |                   |  |
| Total savings across all major preceptors | £123,054 | Gedling's savings | £11,001    number of households affected 145 |

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	<b>Change to current CTRS scheme</b>	<b>Total Saving</b>	<b>GBC saving 8.94% of total</b>	<b>Excluding Vulnerable groups</b>	<b>GBC saving 8.94% excluding vulnerable groups</b>	<b>Numbers of working age Households affected</b>	<b>Numbers affected when vulnerable groups excluded</b>
	<b>EXCLUSIVE:-</b>						
<b>1</b>	Maximum award 80%	£893,432	£79,873	£662,465	£59,224	4326	3004
<b>2</b>	Maximum award 90%	£451,310	£40,347	£383,759	£34,308	4326	3004
<b>3</b>	Restriction to Band A	£366,973	£32,807	£282,135	£25,223	1566	1128
<b>4</b>	Restriction to Band B	£115,839	£10,356	£90,738	£8,112	418	294
<b>5</b>	Restriction to Band C	£47,637	£4,259	£37,860	£3,385	149	102
<b>6</b>	Increase Non-dependant deduction from £7.50 to £10	£45,407	£4,059			299	
<b>7</b>	Increase Taper rate from 20% to 25%	£97,469	£8,714	£96,258	£8,605	877	866
<b>8</b>	No disregard for Child Benefit	£211,179	£18,894			791	
<b>9</b>	Assume min. wage (£7.50 ph) for Self-employed claimants	£166,897	£14,951	£157,170	£14,051.00	254	246
<b>10</b>	If Minimum award less than £5 per week make award nil.	£23,965	£2,142			188	
	<b>COMBINED:-</b>						
<b>11</b>	Maximum award 80% + restriction to band B	£982,078	£87,798	£714,307	£63,859	4326	3004
<b>12</b>	Maximum award 90% + restriction to Band B	£553,301	£49,465	£444,009	£39,694	4326	3004
<b>13</b>	Maximum award 90% +restriction to band C	£493,698	£44,137	£408,125	£36,486	4326	3004
<b>14</b>	Maximum 80% + non dep £10	£930,207	£83,151	£695,101	£62,142	4326	3004
<b>15</b>	Maximum 90% + non dep £10	£492,159	£43,999	£420,106	£37,557	4326	3004

Note: The Total Saving column relates to the full scheme including all major preceptors i.e. the County, Police, Fire and Gedling in line with the council tax charge.