

Appendix 1

Gedling Borough Council 19th September 2018 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 £247 per year or £4.75 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 £412 per year or £7.90 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 and **minimal award** are self-explanatory and only 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:

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|---|----------|-------------------|--|
| a) Capital greater than £2,000 | | | |
| Total savings across all major preceptors | £267,813 | Gedling's savings | £23,568 number of households affected 301 |
| b) Capital greater than £3,000 | | | |
| Total savings across all major preceptors | £185,318 | Gedling's savings | £16,308 number of households affected 212 |
| c) Capital greater than £4,000 | | | |
| Total savings across all major preceptors | £123,054 | Gedling's savings | £10,829 number of households affected 145 |

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	Change to current CTRS scheme	Total Saving	GBC saving 8.8% of total	Excluding Vulnerable groups	GBC saving 8.8% excluding vulnerable groups	Numbers of working age Households affected	Numbers affected when vulnerable groups excluded
	EXCLUSIVE:-						
1	Maximum award 80%	£896,409	£77,884	£613,777	£54,012	4178	2752
2	Maximum award 90%	£452,804	£39,847	£348,844	£30,698	4178	2752
3	Restriction to Band A	£348,188	£30,641	£272,531	£23,983	1465	1048
4	Restriction to Band B	£107,062	£9,421	£75,111	£6,610	407	270
5	Restriction to Band C	£42,916	£3,777	£32,100	£2,825	151	104
6	Increase Non-dependant deduction from £7.50 to £10	£44,565	£3,922			301	
7	Increase Taper rate from 20% to 25%	£89,802	£7,903	£77,284	£6,801	823	690
8	No disregard for Child Benefit	£195,461	£17,201			727	
9	If Minimum award less than £5 per week make award nil.	£23,205	£2,042			173	
	COMBINED:-						
10	Maximum award 80% + restriction to band B	£974,479	£85,754	£653,256	£57,487	4178	2752
11	Maximum award 90% + restriction to Band B	£543,543	£47,832	£395,849	£34,835	4178	2752
12	Maximum award 90% +restriction to band C	£486,902	£42,847	£364,811	£32,103	4178	2752
13	Maximum 80% + non dep £10	£932,152	£82,029	£644,041	£56,576	4178	2752
14	Maximum 90% + non dep £10	£491,283	£43,233	£381,811	£33,599	4178	2752

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.