

Appendix 1

Gedling Borough Council 23rd December 2019 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 £258.43 per year or £4.97 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 £430.72 per year or £8.28 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 £10.00, a loss of £130.00 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:

- a) Capital greater than £2,000
Total savings across all major preceptors £151,232 Gedling's savings £13,309 number of households affected 286
- b) Capital greater than £3,000
Total savings across all major preceptors £104,986 Gedling's savings £9,239 number of households affected 192
- c) Capital greater than £4,000
Total savings across all major preceptors £75,755 Gedling's savings £6,666 number of households affected 127

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	Change to current CTRS scheme EXCLUSIVE:-	Total Saving	GBC saving 8.4 % of total	Excluding Vulnerable groups	GBC saving 8.4 % excluding vulnerable groups	Numbers of working age Households affected	Numbers affected when vulnerable groups excluded
1	Maximum award 80%	£698,393	£58,665	£592,164	£49,742	4283	3514
2	Maximum award 90%	£353,731	£29,713	£304,695	£25,594	4283	3514
3	Restriction to Band A	£265,488	£22,301	£222,843	£18,719	1547	1320
4	Restriction to Band B	£82,304	£6,914	£72,643	£6,102	428	355
5	Restriction to Band C	£33,299	£2,797	£33,129	£2,783	151	122
6	Increase Non-dependant deduction from £7.50 to £10	£33,220	£2,790			311	
7	Increase Taper rate from 20% to 25%	£54,409	£4,570	£48,954	£4,112	802	718
8	No disregard for Child Benefit	£118,077	£9,918			783	
9	If Minimum award less than £5 per week make award nil.	£17,872	£1,501			379	
COMBINED:-							
10	Maximum award 80% + restriction to band B	£755,576	£63,468	£637,397	£53,541	4283	3514
11	Maximum award 90% + restriction to Band B	£421,338	£35,392	£357,385	£30,020	4283	3514
12	Maximum award 90% +restriction to band C	£377,877	£31,742	£322,427	£27,084	4283	3514
13	Maximum 80% + non dep £10	£724,107	£60,825	£616,785	£51,810	4283	3514
14	Maximum 90% + non dep £10	£380,100	£31,928	£333,144	£27,984	4283	3514

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.