

## Appendix 1

### Council Tax Reduction Scheme options for 2024/25

**Maximum award** - under the current Council Tax Reduction 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 80% of the Council Tax Liability meaning all applicants paying a minimum of 20% towards their annual charge. Typically, for a household of two parents and two children on Universal Credit this would mean paying the following: -

£302.38 per year or £5.80 per week in a Band A property	(this example is based upon 2023/24 Council Tax liability charges)
£352.46 per year or £6.76 per week in a Band B property	(this example is based upon 2023/24 Council Tax liability charges)
£402.81 per year or £7.73 per week in a Band C property	(this example is based upon 2023/24 Council Tax liability charges)

**Band restriction** – For example, a claimant in a Band C property with a Council Tax Liability of £2,014.04 per year (2023/24 rates) would only get the CTRS level of a Band A property of £1,511.91 per year. Typically, for a household of two parents and two children in a Band C property on Universal Credit this would mean paying £502.13 per year or £9.63 per week, equivalent to an overall reduction in entitlement of 25%

**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 this deduction to £10.00 per week, 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** – The current scheme sets an upper capital limit of £6,000 meaning any applicant who has capital above this threshold is not eligible for assistance. The following examples showing the savings and number of cases that would cease to be eligible from the existing caseload if the capital thresholds were lowered:

a) Capital greater than £2,000.			
Total savings across all major preceptors	£281,809	Gedling's savings	£25,306    Number of households affected 235.
b) Capital greater than £3,000.			
Total savings across all major preceptors	£193,238	Gedling's savings	£17,353    Number of households affected 163.
c) Capital greater than £4,000.			
Total savings across all major preceptors	£138,141	Gedling's savings	£12,405    Number of households affected 115.

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	<b>Change to current CTRS scheme. EXCLUSIVE: -</b>	<b>Total saving</b>	<b>GBC saving 8.09% of total</b>	<b>Excluding vulnerable groups</b>	<b>GBC saving 8.09% excluding vulnerable groups</b>	<b>Numbers of working age households affected</b>	<b>Numbers affected when vulnerable groups excluded</b>
<b>1</b>	Maximum award 80%	£1,011,451	£81,826	£652,410	£52,780	4349	2700
<b>2</b>	Maximum award 90%	£512,515	£41,462	£412,318	£33,357	4349	2700
<b>3</b>	Restriction to Band A	£258,054	£34,073	£372,371	£30,125	1697	1347
<b>4</b>	Restriction to Band B	£128,581	£10,402	£92,275	£7,465	477	310
<b>5</b>	Restriction to Band C	£47,679	£3,857	£33,501	£2,710	161	109
<b>6</b>	Increase Non-dependant deduction from £7.50 to £10.00	£46,226	£3,740		£0	340	
<b>7</b>	Increase Taper rate from 20% to 25%	£93,854	£7,593	£81,265	£6,574	1010	841
<b>8</b>	No disregard for Child Benefit	£19,982	£1,617		£0.00	115	
<b>9</b>	If Minimum award less than £5.00 per week, make award nil.	£22,039	£1,783		£0.00	340	
<b>COMBINED: -</b>							
<b>10</b>	Maximum award 80% + restriction to band B	£1,118,726	£90,505	£698,027	£56,470	4349	2700
<b>11</b>	Maximum award 90% + restriction to Band B	£613,576	£49,638	£470,268	£38,045	4349	2700
<b>12</b>	Maximum award 90% +restriction to band C	£554,099	£44,827	£434,797	£35,175	4349	2700
<b>13</b>	Maximum 80% + non dep £10.00	£1,052,612	£85,156	£671,520	£54,326	4349	2700
<b>14</b>	Maximum 90% + non dep £10.00	£565,507	£45,750	£429,632	£34,757	4349	2700

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.