

Appendix 1

Council Tax Reduction Scheme options for 2025/26

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: -

£316.04 per year or £6.06 per week in a Band A property	(this example is based upon 2024/25 Council Tax liability charges)
£368.71 per year or £7.07 per week in a Band B property	(this example is based upon 2024/25 Council Tax liability charges)
£421.39 per year or £8.08 per week in a Band C property	(this example is based upon 2024/25 Council Tax liability charges)

Band restriction – For example, a claimant in a Band C property with a Council Tax Liability of £2,106.93 per year (2024/25 rates) would only get the CTRS level of a Band A property of £1,580.20 per year. Typically, for a household of two parents and two children in a Band C property on Universal Credit this would mean paying £526.73 per year or £10.10 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 | £299,465 | Gedling's savings | £23,867 | Number of households affected | 586 |
| b) Capital greater than £3,000 | | | | | |
| Total savings across all major preceptors | £200,339 | Gedling's savings | £15,967 | Number of households affected | 494 |
| c) Capital greater than £4,000 | | | | | |
| Total savings across all major preceptors | £136,244 | Gedling's savings | £10,859 | Number of households affected | 435 |

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	Change to current CTRS scheme EXCLUSIVE: -	Total saving	GBC saving 7.97% of total	Excluding vulnerable groups	GBC saving 7.97% excluding vulnerable groups	Numbers of working age households affected	Numbers affected when vulnerable groups excluded
1	Maximum award 80%	£1,024,140	£81,624	£655,450	£52,239	4350	2785
2	Maximum award 90%	£518,434	£41,319	£342,797	£27,321	4350	2785
3	Restriction to Band A	£428,674	£34,165	£381,519	£30,407	1661	1494
4	Restriction to Band B	£137,069	£10,924	£111,025	£8,849	492	436
5	Restriction to Band C	£52,806	£4,209	£45,646	£3,638	151	129
6	Increase non-dependant deduction from £7.50 to £10.00	£44,373	£3,537			333	
7	Increase Taper rate from 20% to 25%	£94,179	£7,506	£78,674	£6,270	847	649
8	No disregard for Child Benefit	£21,128	£1,684			107	
9	If minimum award less than £5.00 per week, make award nil.	£18,722	£1,492			470	
COMBINED: -							
10	Maximum award 80% + restriction to band B	£1,122,536	£89,466	£719,023	£57,306	4350	2785
11	Maximum award 90% + restriction to Band B	£634,736	£50,588	£410,231	£32,695	4350	2785
12	Maximum award 90% +restriction to band C	£560,342	£44,659	£362,619	£28,901	4350	2785
13	Maximum 80% + non dep £10.00	£1,061,127	£84,572	£659,450	£52,558	4350	2785
14	Maximum 90% + non dep £10.00	£557,432	£44,427	£348,797	£27,799	4350	2785

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.