

Full Council

Council Tax Support Scheme 2025/26

Date of Meeting: 16 January 2025

Lead director: Amy Oliver, Director of Finance

Useful Information

- | | |
|---------------------------|--|
| ▪ Ward(s) affected: | All |
| ▪ Report author: | James Rattenberry, Strategic Policy Lead |
| ▪ Author contact details: | James.rattenberry@leicester.gov.uk |
| ▪ Report version number | 1 |

1. **Purpose of Report**

- 1.1 The purpose of this report is to seek approval from Council to implement a simplified “banded” council tax support scheme from 1st April 2025.

2. **Summary**

- 2.1 The Council is required to maintain a Council Tax Support scheme (CTSS) in respect of dwellings occupied by persons we consider to be in financial need. Our scheme has remained unchanged since its introduction in 2013.

- 2.2 The proposed scheme is intended to:

- make it easier to apply for and understand support.
- reduce the number of times we make changes to amounts awarded.
- increase support to the most vulnerable households.
- make the scheme easier to administer.
- make the system work better for those receiving universal credit (UC), and
- reduce the overall costs of the scheme to help the Council address future budget deficits.

- 2.3 A public consultation ran from 30 September to 10 November 2024 receiving 280 responses, and responses were also sought from the Fire & Police Services. All elements of the proposal received broad support (between 63% and 88% of respondents).

3. **Recommendations**

- 3.1 Full Council is recommended to:

- note and consider the results of the public consultation ran from 30 September to 10 November 2024.
- approve the adoption of the Council Tax Support Scheme detailed at Appendix 1 with effect from 1 April 2025, noting that the proposals have been modified to take account of feedback received during the consultation as referenced in 5.10 of the report.
- note that the Director of Finance will review the operation of the Scheme after the first six months to assess its operation and impacts. Should this review indicate a need to propose a new or revised Scheme for 2026 then appropriate procedures, including public consultation if appropriate, will be triggered.

4. **Report / Supporting Information**

Background

- 4.1 CTSS was introduced in April 2013 as a replacement for the national Council Tax Benefit scheme. The Government placed the duty to create a local scheme for working age applicants with the Council and reduced government funding by the equivalent of 10%. Funding has subsequently decreased further insofar as it can be identified within mainstream funding.
- 4.2 Since 2013 CTSS is divided into two schemes, with pension age applicants receiving support under the rules prescribed by Central Government, and the scheme for working age applicants being determined solely by the Council.
- 4.3 Pensioners, subject to their income, can receive up to 100% support towards their council tax. The Council has no power to change the level of support provided to pensioners.
- 4.4 CTSS provides support to approximately 10,400 pension age households (£11.7m) and 17,700 working age households (£14.9m) in 2024/25.

The current scheme for working age applicants

- 4.5 Since 2013 working age CTSS has operated with the following elements:
- Maximum award of 80% of a Band B property council tax liability.
 - Means testing based on household weekly income, compared against a set of allowances. If income exceeds the allowance any support is reduced accordingly.
 - Other adults (non-dependants) are treated as part of the household. With some exceptions, this reduces an award depending on their income (on average, between 14% and 44% of their liability).
 - Support is subject to a de minimis level, currently £4.65 per week.
 - Savings limit of £6,000, above which no support can be awarded.

Our aspirations for the current scheme

- 4.6 There are a number of issues with the current scheme that need addressing. The main ones are as follows, examined in detail below:
- make it easier to apply for and administer support.
 - make the system work better for those receiving UC by reducing the number of times we make changes to amounts awarded.
 - increase support to the most vulnerable households, and
 - reduce the overall costs of the scheme to help the Council address future budget deficits.
- 4.7 The existing scheme is based on an old-fashioned benefit-based scheme and requires simplifying because:

- The application process is complicated and requires a lot of information and evidence to make an assessment, including income details of all adult residents which significantly impact week-by-week entitlement.
- UC customers are often required to reapply after their benefits cease, which has contributed to a gradual decline in the number of households receiving CTSS.
- It is difficult for customers to understand and anticipate what their award will be, and how it is likely to change with their income and circumstances.
- Staff have to undergo significant training to be proficient in processing claims and the timescales for processing applications can be lengthy, and administration of the scheme is costly when compared to other discounts for Council Tax.

4.8 The introduction of UC within the City has added further complexity to both the administration of CTS and the collection of Council Tax generally. In common with other authorities the Council has experienced:

- A reduction in households receiving support as households move to UC and drop in and out of entitlement due to income changes,
- A high number of changes to UC cases are received from the DWP requiring a change to CTS entitlement. In Leicester this currently stands at c130,000 per annum and is expected to rise to c160,000 changes per annum from the end of 2025. These changes may result in amendments to Council Tax liability, the recalculation of instalments, delays, the loss in collection and increase in postage costs; and
- The increased costs of administration through multiple changes with significant additional staff and staff time being needed. Customers may also be confused with frequent changes to the amount they are required to pay.

4.9 UC is assessed monthly and under the current system even very small changes will lead to CTSS being reassessed for the remainder of the financial year, resetting all instalments due. This makes it extremely difficult for low-income households to be able to budget and make payments. On average CTSS is recalculated eight times a year against a schedule of either 10 or 12 payments due. The existing means tested CTSS will not be viable in the longer term now that UC has been rolled out fully within the area and with the increase in UC claimants due to managed migration from legacy benefits (to be completed by the end of 2025).

5. The proposal: Our aims for the new scheme

5.1 With the simplicity of the proposed new scheme and by taking an approach closer to that already used for other Council Tax discounts, it will address the problems associated with the increased administration caused by failings in the current scheme and UC as follows:

- **The scheme will require a simplified claiming process.** All applicants will see a significant reduction in the bureaucracy associated with making a claim and, where possible, CTS will be awarded automatically.

- **Speed of processing.** All claims will be able to be calculated promptly and largely automatically without the need to request further information. Processing days could be reduced from 30 days to 15 days.
- **Maximising entitlement to every applicant.** There will no requirement for UC applicants to apply separately for CTS, and for all other applicants, the claiming process will be simplified significantly.
- **Maintenance of collection rates.** The new scheme will avoid constant changes in discount, the need for multiple changes in instalments and therefore assist in supporting collection rates. However, it should be noted that the decreased level of support for non-vulnerable working age cases may have a corresponding negative effect on collection levels.
- **The income bands are sufficiently wide to avoid constant changes in support.** The new scheme, with its simplified income banding means only significant changes in income will affect the level of discount awarded. Council Taxpayers who receive CTS will not receive multiple Council Tax bills and adjustments to their instalments.

5.2 Similar to other authorities, the Council currently requires all working age applicants to pay a minimum of 20% towards their Council Tax (80% maximum support of a Band B property) regardless of their income or ability to improve their household finances, for example by moving into full-time employment.

5.3 In view of the problems being experienced with the current scheme, it is proposed that an alternative approach be taken from 2025/26. The approach has been to fundamentally redesign the scheme to address all of the issues with the current scheme.

5.4 The proposed new scheme has several key features as follows:

- Vulnerable households will receive a maximum discount of 100% of a Band C property council tax liability, increased from 80% of a band B property.
- Other households (non-vulnerable) will receive a maximum discount of 75% of a band B property, reduced from 80%.
- The scheme remains a means tested based on household weekly income but is simplified, with household income defined within weekly income bands. This means small changes in income will not trigger a support recalculation. Most incomes would be included, with only Child Benefit and UC Housing Costs continuing to be disregarded.
- There will be a simplified calculation of non-dependant deductions with a proposed deduction of 20% (of any CTS award) where a non-dependant resides within the household. A 20% reduction shall be made for **every** non-dependant resident who would have attracted a deduction under the previous scheme.
- Disregards for childcare costs and the capital limit of £6,000 would be unaffected.
- There will be additional allowances to protect the incomes of households with three or more children, beyond the “two child cap” which currently applies to

households with a third or subsequent child born after 6 April 2017. This is in addition to the proposal subject to consultation.

- 5.5 The proposed scheme focusses help to the most vulnerable in our city (one-fifth of those currently supported) with up to 100% support for households receiving disability-related income, full-time carers and disabled children. Details of the definition of vulnerability and the incomes taken into account are provided in Appendix 1.
- 5.6 A full consultation was undertaken in line with statutory requirements. Consultation material and questions were shared with the precepting authorities on 3 September 2024. No objections were made by either of the major preceptors, and the Fire Service provided a written response confirming their support.
- 5.7 A consultation exercise was undertaken with the public for six weeks between 30 September and 10 November 2024. Communications promoting the consultation including emailing or writing to all current CTSS households, briefings to frontline staff, holding telephone messages hosted by Customer Services, and promotion through Council publications.
- 5.8 Of 280 responses received, 5 were from out of the Leicester area and 7 were from residents not liable for Council Tax, leaving 268 evaluated responses. A summary of the responses for each of the question relating to the key changes are shown below. It should be noted that most responses received from the public agreed with all of the proposed changes. Full consultation outcomes are available in Appendix 2.
- 5.9 The proposal supported in by a majority in all elements. Excluding those who responded with 'don't know,' 71% supported the banded income scheme concept. Support was strongest for a separate scheme for vulnerable households (87%) and disregarding War Pensions (92%), and weakest as to whether the income bands are fair (61%) and simplifying non-dependant deductions (63%).
- 5.10 Following consideration of the consultation data and the relatively weak level of support for the fairness of the banding, an additional mitigation has been added to the proposal to increase allowances to three or more children.

Question	Agree (%)	Disagree (%)	Don't know (%)	Agree disregarding non-responses (%)
Do you support the introduction of a banded income scheme?	0.52	0.21	0.27	0.71
Do you support the measures to support vulnerable applicants?	0.76	0.11	0.13	0.87
Do you think the bands in the table are fair?	0.42	0.27	0.31	0.61
Do you agree with the simplification of the way we calculate support when "non-dependent" adults (adults other than the applicant and their partner) reside in the household	0.46	0.27	0.27	0.63
Do you agree that we disregard housing benefit and some elements of UC when we place applicants into an income band	0.67	0.14	0.19	0.83
Do you agree that we support families by continuing to disregard child benefit when we place applicants into an	0.69	0.12	0.19	0.86

income band, and make allowance for child-care costs when we calculate spending needs				
Do you agree that we continue to protect war pensioners by disregarding war pensions and war disablement pensions when we place applicants into an income band	0.77	0.07	0.16	0.92
Do you agree that we remove the “extended payment” provisions which apply when an applicant ceases to be entitled to support, to be consistent with the way UC works	0.59	0.19	0.22	0.76

The effect of proposed scheme on individual households

5.11 The proposed changes will impact households within the Council's area, especially those on the lowest of incomes. Current modelling allows us to project the likely outcomes for typical households given their individual circumstances.

- 5,400 households would be better off (this will primarily be the vulnerable group).
- 12,000 would be worse off, including 1,000 households who would cease to receive CTS (income too high and currently receiving only partial support).
- Households better off (as a result of the protection) would benefit by an average of £213 per household per annum, or £4.10 per week; and
- Households worse off would lose an average of £300 per household per annum, or £5.77 per week.

Mitigations

5.12 In order to mitigate some of the losses, it is proposed that the Council Tax Discretionary Relief (CTDR) scheme will be increased from £0.5m to £0.75m per year for two years to protect individuals who experience exceptional hardship. The Council will consider all applications for exceptional hardship on an individual basis, considering available income and essential outgoings. Where appropriate further support will be given to the applicant.

5.13 We will also continue to provide:

- Assessment for Discretionary Housing Payments (towards rent) and Household Support Fund (towards food/fuel) alongside applications for CTDR
- Crisis support with food and fuel through the Community Support Grant scheme.
- Additional funding allocated from the Household Support Fund to mitigate Council Tax bills where possible - £400k committed during 2024/25.

5.14 This approach will enable individual applicants to be dealt with in a fair and equitable manner. Recovery of outstanding debt will be considered under the fair debt policy.

6. Scheme Costs

6.1 The current costs of the scheme are £26.6m of which £11.7m is related to the pension age scheme (which will not change) and £14.9m for the working age scheme.

- 6.2 The costs of the scheme are met by the City Council in line with its share of the Council Tax. Any savings accruing would be shared with the Major Preceptors. Around 84% is met by the City Council and 16% by police/fire.
- 6.3 Based on the proposed scheme in Appendix 3, the forecast cost impact would be:

	25/26 £,000	26/27 £,000	27/28 £,000
Revenue savings	2,050	2,050	2,050
Administration Saving	400	400	400
Less one-off revenue costs (IT)	(76)	0	0
Net Saving / (Cost)	2,374	2,450	2,450

- 6.4 Table 1 shows only the savings attributable to the City Council. Additionally, the changes would unlock administrative savings (through reduced staffing) estimated at some £0.4m per year. However, the additional mitigations for households with three or more children will result in savings £0.35m per year lower than envisaged by the proposal subject to consultation and will impact the draft revenue budget that assumes the original savings figure. The proposal also includes funding £250k of additional discretionary relief for the first two years of the scheme. This will be funded from the Welfare reserve.
- 6.5 Other authorities implementing banded schemes experienced an initial increase in caseload, which may be due to people who are in receipt of UC starting to claim for the first time (some old schemes – not ours – required an additional application from UC claimants). Any such cost has been disregarded in the table as it is not possible to estimate – we believe it would not be significant. Overall, the caseload will reduce due to a fall in the number of eligible claimants.

7. Timetable

- 7.1 It is important to note that any amendment to the scheme **must** be agreed at January's Full Council on 16 January 2025 to allow the taxbase to be approved (which takes account of expenditure on CTSS) and notified to the precepting authorities (fire & police). The taxbase will inform the council tax requirement for 2025/26 and will be included in the budget proposals presented to Council at the meeting in February. Whilst the laws governing CTSS allow for a scheme to be formally determined as late as 11 March 2025. Although this is only practically possible when confirming an existing scheme due to the billing cycle.
- 7.3 In addition to the timetable to enable taxbases and budgets to be set, there is a practical element of implementing a new scheme, to enable timely billing for the 1st

April payment date. It is estimated a 3-4 week lead in period is required to enable system changes and then bills to be issued in early March.

7.2 The following is proposed as compliant with our legal obligations outlined in section 9.

Council decision	16 January 2025
Council Budget Meeting	19 th February 2025
Billing for 2025/26	Early-March
New scheme live as part of council tax billing 2025/26	1 April 2025

8. Alternative Options

8.1 The following options were considered, and not recommended for adoption.

8.2 **Expanding income allowances** (for example, adding £50 or £100 to each existing band) – this would open the scheme to an unknown number of households who currently do not qualify.

8.3 **Changing only one band**, for example increasing just the 75% maximum band to 80%. This would be potentially unfair as a ‘lopsided’ scheme leading to a 30% drop in award when transitioning to a ‘Band 3’ income.

8.4 **Adding more bands**, for example retaining 80% protection for non-vulnerable households with bands for 80/60/40/20% and vulnerable households with 100/80/60/40/20%. Would lead to more frequent award changes during the year and reduce savings by £930k.

8.5 **Disregarding other incomes**, for example from disability benefits, ‘passported’ benefits such as JobSeekers Allowance and between £10 and £25 of earnings. Would add complexity and reduce savings by £1.38m.

8.6 **Reverting to the previous scheme with a higher minimum payment, or any other new method of calculation** – this would require a new consultation.

9. Financial implications

9.1 The draft revenue budget 2025/26 assumes the following savings:

	25/26 £,000	26/27 £,000	27/28 £,000
Revenue savings	2,400	2,400	2,400
Administration Saving	400	400	400
Less one-off revenue costs (IT)	(76)	0	0
Net Saving / (Cost)	2,724	2,800	2,800

9.2 The proposed scheme reduces this saving by £350k, updated savings in the table below:

	25/26 £,000	26/27 £,000	27/28 £,000
Revenue savings	2,050	2,050	2,050
Administration Saving	400	400	400
Less one-off revenue costs (IT)	(76)	0	0
Net Saving / (Cost)	2,374	2,450	2,450

9.3 The proposal includes funding £250k of additional discretionary relief for the first two years of the scheme. This will be funded from the Welfare reserve.

9.4 The scheme savings will be shown in the council tax income lines and the administration saving will reduce the relevant budget ceiling in the revenue budget report.

9.5 It is recommended alternative savings are identified to mitigate against the £350k loss from the original proposals.

Amy Oliver, Director of Finance

10. Legal implications

10.1 Schedule 1A (3) of the Local Government Finance Act 1992, states that before making a scheme, the authority must:

- consult any major precepting authority which has power to issue a precept to it,
- publish a draft scheme in such manner as it thinks fit, and
- consult such other persons as it considers are likely to have an interest in the operation of the scheme.

10.2 In addition, in order to set a new scheme, the City Council is obliged to make a resolution by 11th March of the year prior to the scheme coming into place. However this is only the statutory backstop date for approving a Scheme, and in practice it is not feasible to leave a decision until this date for the reasons set out in paragraph 7.1 above, i.e. that any amendment to the scheme must be agreed at January's Full Council on 16 January 2025 to allow the taxbase to be approved (which takes account of expenditure on CTSS).

10.3 The Scheme being put forward for adoption ("three or more children") is a foreseeable outcome of the original consultation exercise (two or more children"). The consultation has not revealed new issues or information that were not apparent before the consultation, such as have led to the modified proposals. There is no fundamental

difference between the proposal consulted upon and that which is being commended to Council that would trigger a duty to consult further.

Kamal Adatia, City Barrister, Ext 371401

11. Equality implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation and any other conduct prohibited by the Act, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The Act therefore imposes a duty on the Council, which is separate from the general duty not to discriminate. When a Council carries out any of its functions, including deciding the Council Tax Support scheme to be adopted, the Council must have due regard to the matters within the section of the Act outlined above.

The purpose of this report is to provide an overview of the proposed simplified "banded" council tax support scheme and the consultation results. An Equalities Impact Assessment (EIA) has been conducted for this specific piece of work and has been updated following the consultation. The EIA has identified that there will be a negative impact on some households that will no longer be in receipt of support and mitigating actions have been identified across the relevant protected characteristics.

Sukhi Biring and Surinder Singh, Equalities Officers

12. Climate Change implications

There are no significant climate change implications arising from this report.

Duncan Bell, Energy & Sustainability Service, Ext 372249

13. Summary of appendices

Appendix 1: Proposed CTS Scheme
Appendix 2: Full Consultation Outcomes
Appendix 3: Equality Impact Assessment (EIA)
Appendix 4: Case Studies

14. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)

No.

15. Is this a “key decision”?

No, because it is not an Executive Decision but rather a Full Council Decision, and it thereby has its own public and scrutiny exposure.

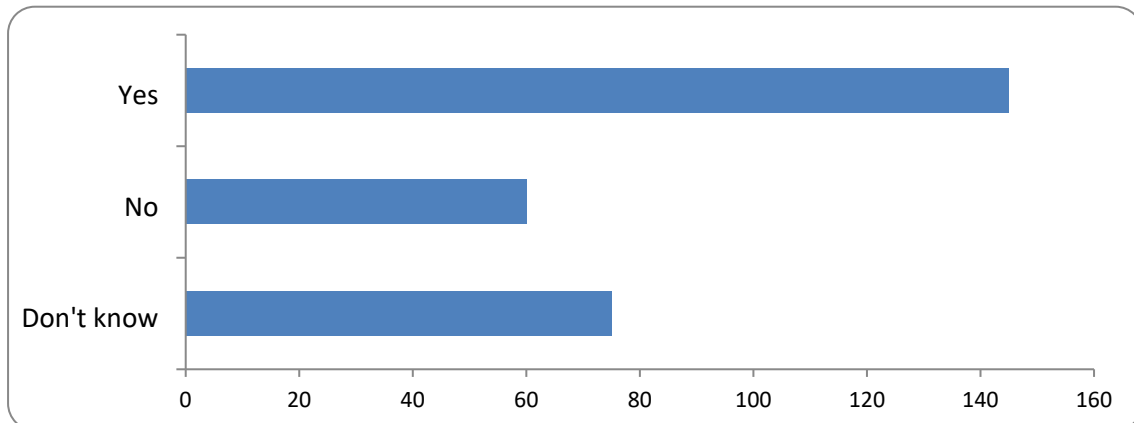
16. If a key decision please explain reason

Appendix 2: CTSS 25/26 Consultation Outcomes

<https://consultations.leicester.gov.uk/communications/council-tax-support-scheme-2025-26>

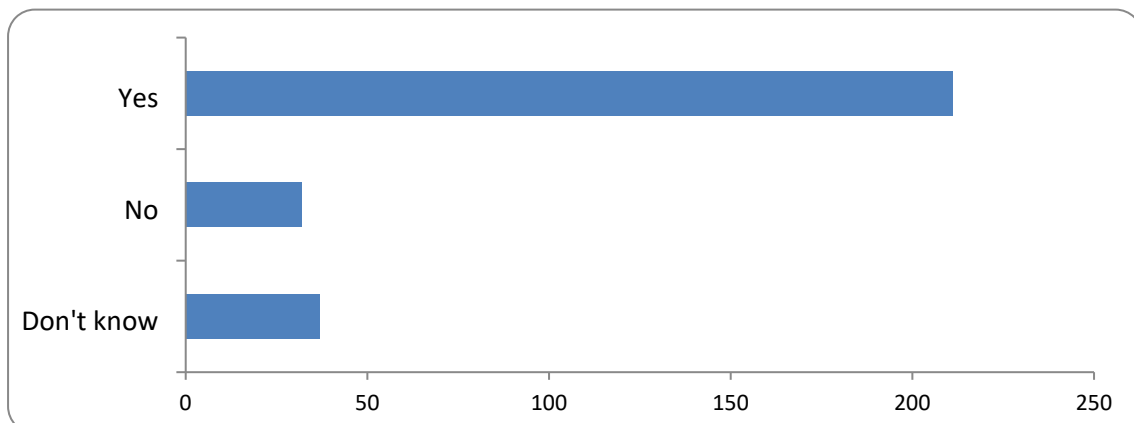
There were 280 responses.

Do you support the introduction of a banded income scheme?



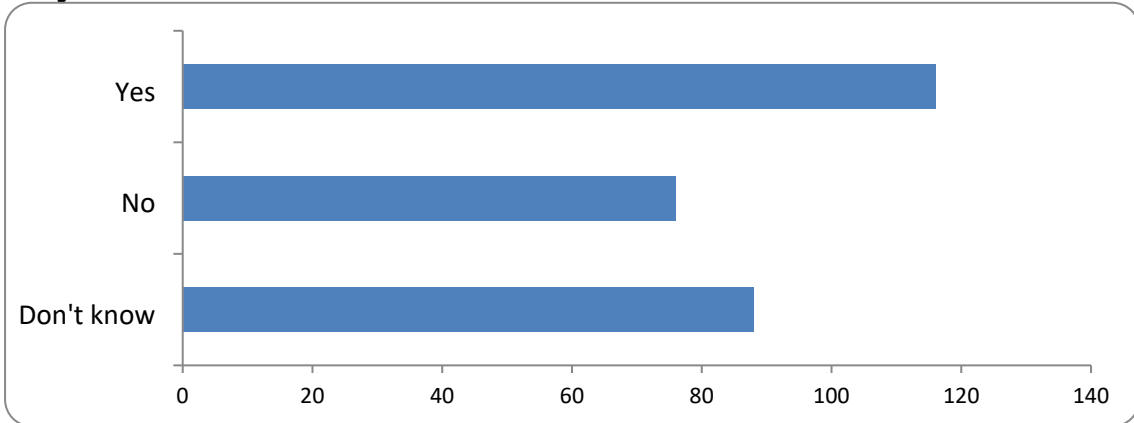
Option	Total	Percent
Yes	145	51.79%
No	60	21.43%
Don't know	75	26.79%
Not Answered	0	0.00%

Do you support the measures to support vulnerable applicants?



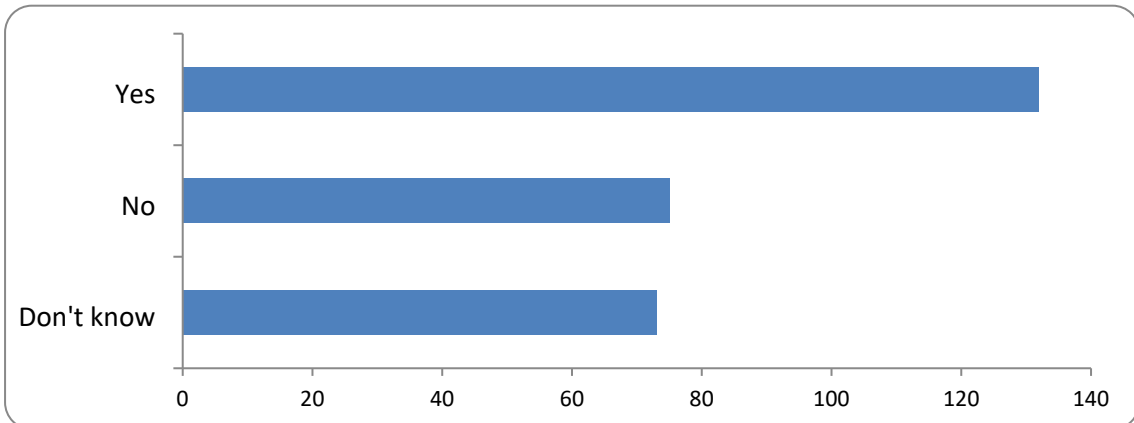
Option	Total	Percent
Yes	211	75.36%
No	32	11.43%
Don't know	37	13.21%
Not Answered	0	0.00%

Do you think the bands in the table are fair?



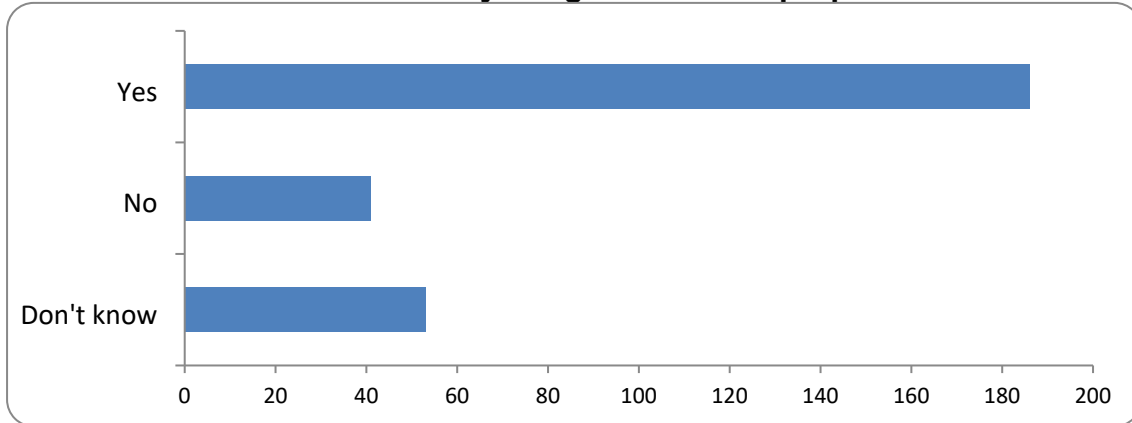
Option	Total	Percent
Yes	116	41.43%
No	76	27.14%
Don't know	88	31.43%
Not Answered	0	0.00%

Non-Dependants - Do you agree with this proposal?



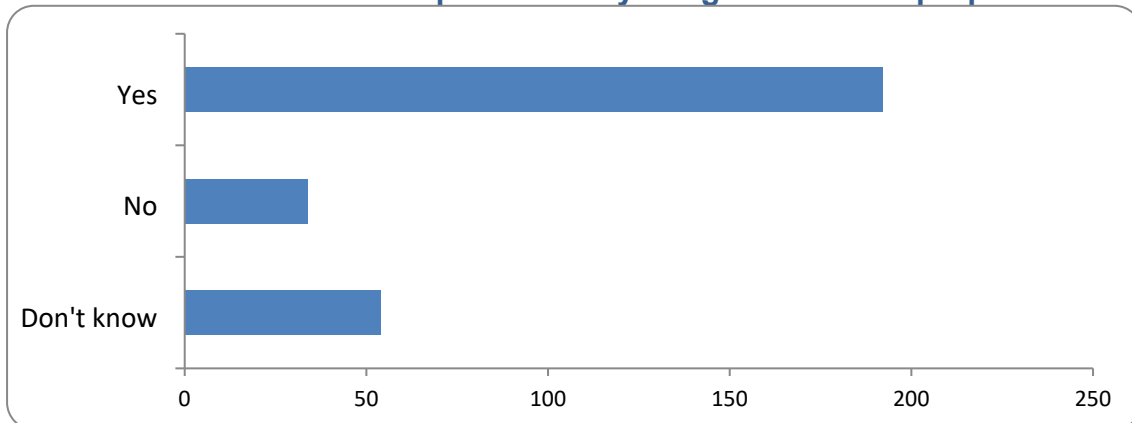
Option	Total	Percent
Yes	132	47.14%
No	75	26.79%
Don't know	73	26.07%
Not Answered	0	0.00%

Universal Credit elements - Do you agree with this proposal?



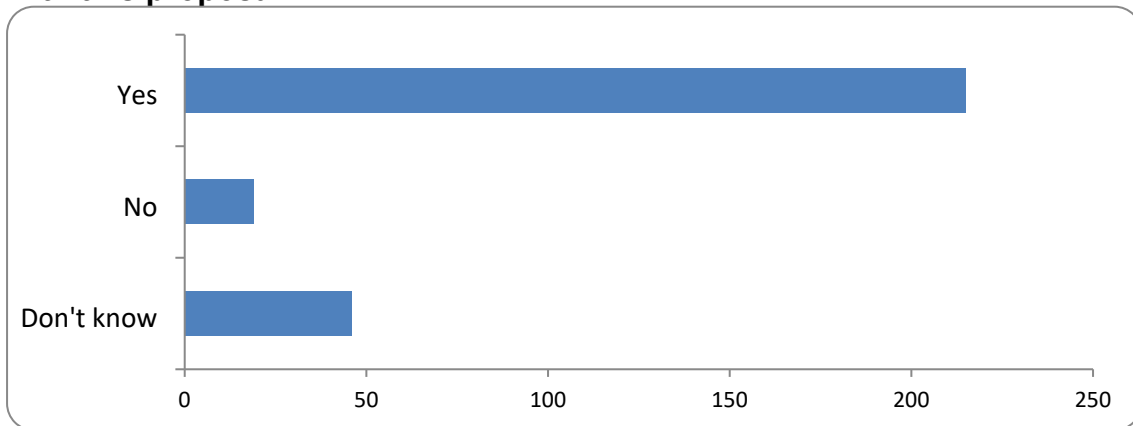
Option	Total	Percent
Yes	186	66.43%
No	41	14.64%
Don't know	53	18.93%
Not Answered	0	0.00%

Childcare and Childcare Proposals - Do you agree with this proposal?



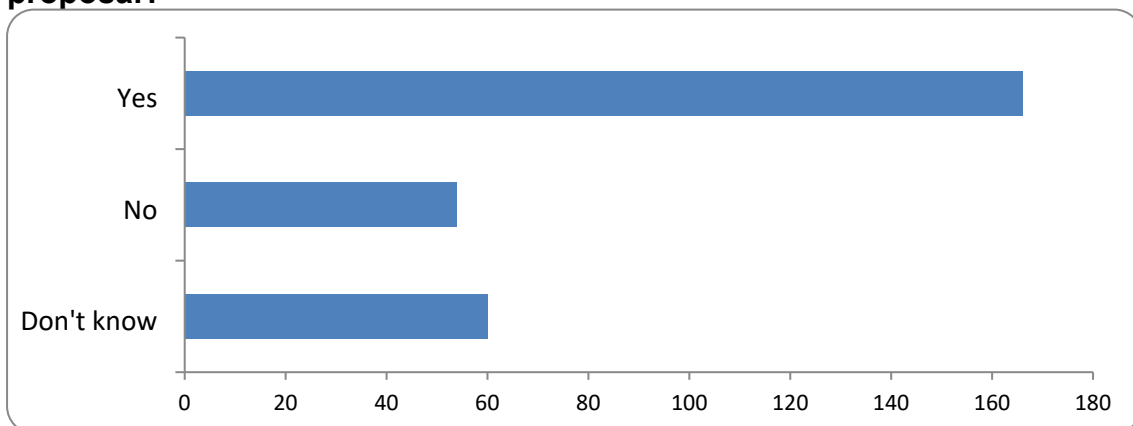
Option	Total	Percent
Yes	192	68.57%
No	34	12.14%
Don't know	54	19.29%
Not Answered	0	0.00%

Disregarding War Pensions and War Disablement Pensions - Do you agree with this proposal?



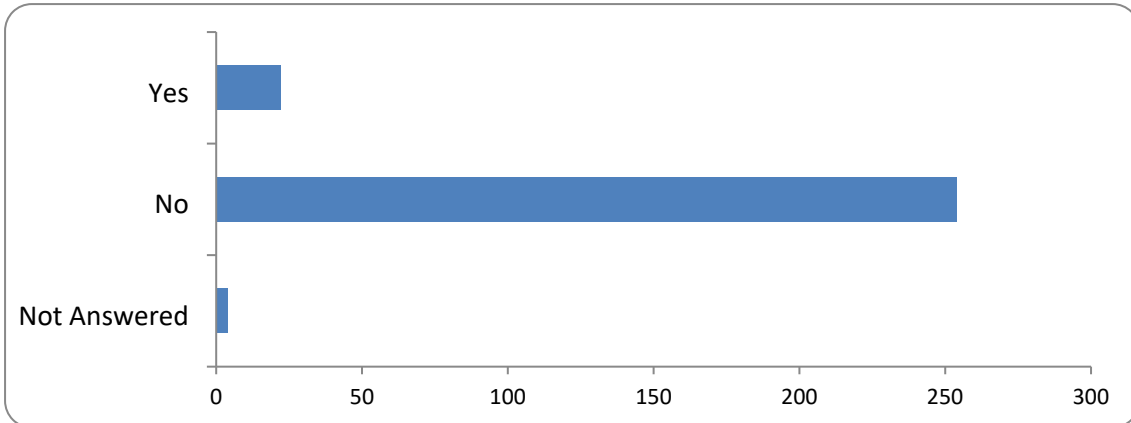
Option	Total	Percent
Yes	215	76.79%
No	19	6.79%
Don't know	46	16.43%
Not Answered	0	0.00%

Removing the Extended Payment provisions - Do you agree with this proposal?



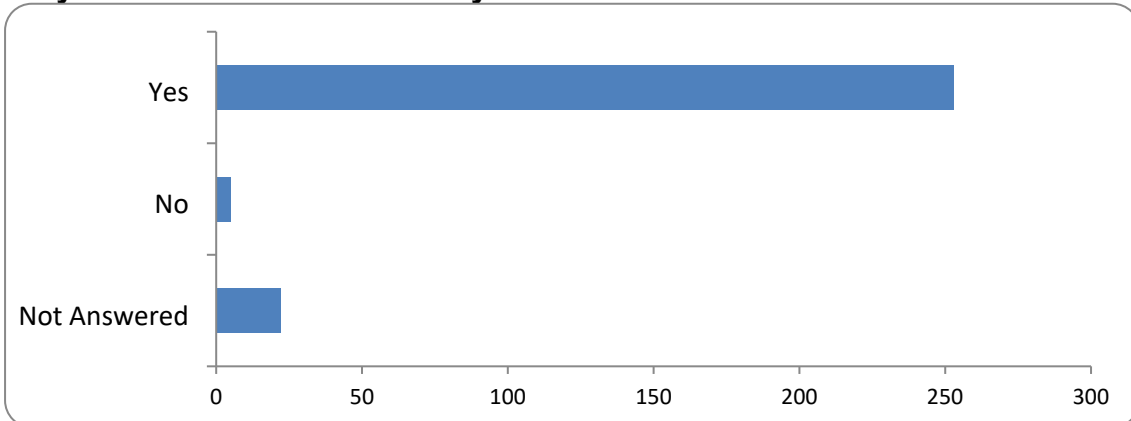
Option	Total	Percent
Yes	166	59.29%
No	54	19.29%
Don't know	60	21.43%
Not Answered	0	0.00%

**Are you completing this form on behalf on an organisation / group?
organisation / group**



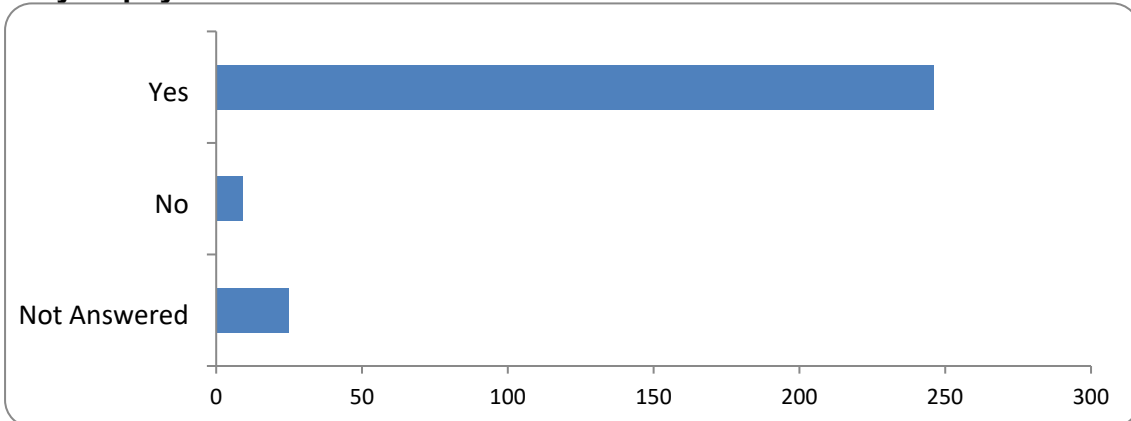
Option	Total	Percent
Yes	22	7.86%
No	254	90.71%
Not Answered	4	1.43%

Do you live in the Leicester City Council area?



Option	Total	Percent
Yes	253	90.36%
No	5	1.79%
Not Answered	22	7.86%

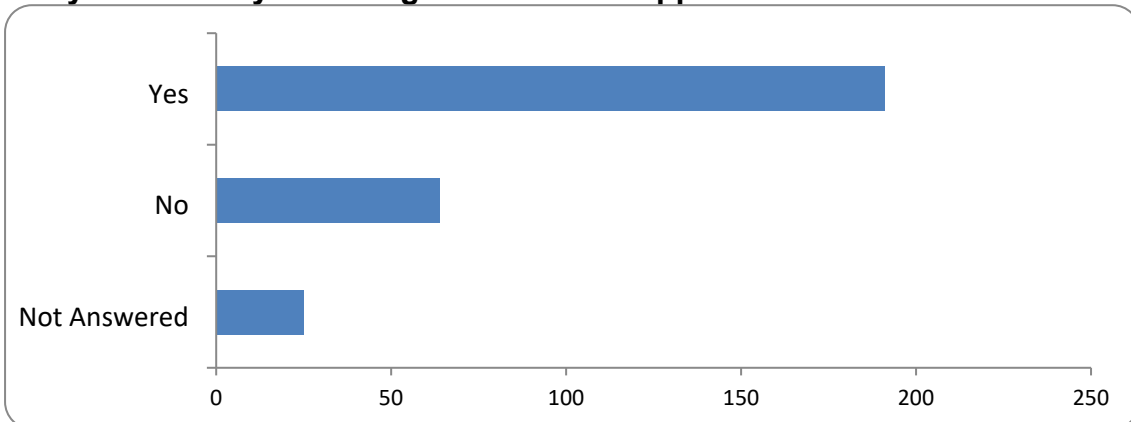
Do you pay Council Tax?



Option	Total	Percent
Yes	246	87.86%
No	5	1.79%
Not Answered	22	7.86%

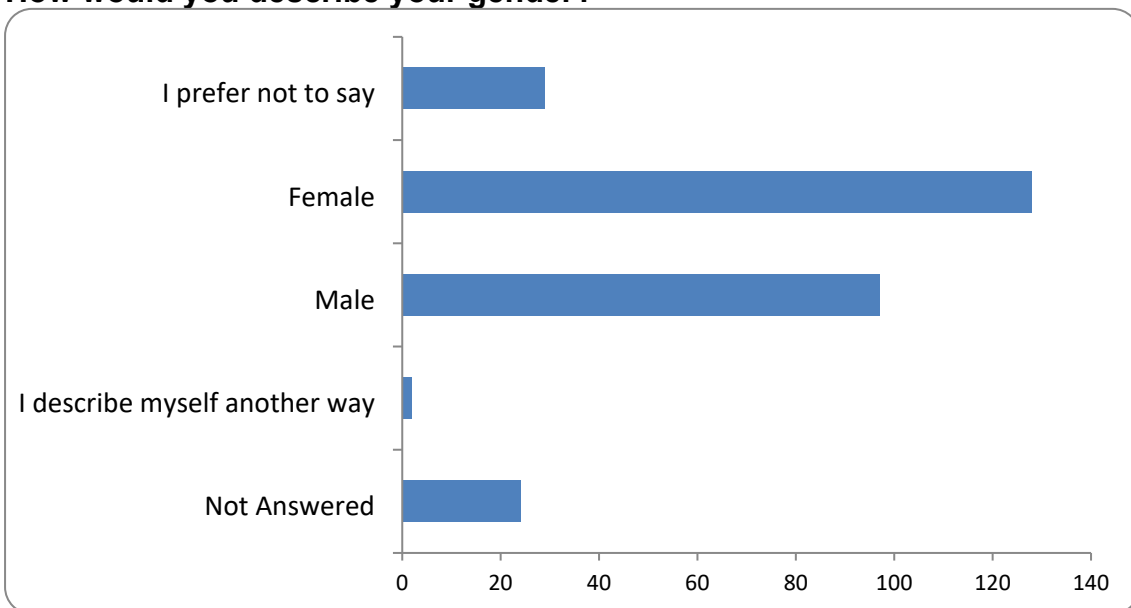
No	9	3.21%
Not Answered	25	8.93%

Are you currently receiving Council Tax support?



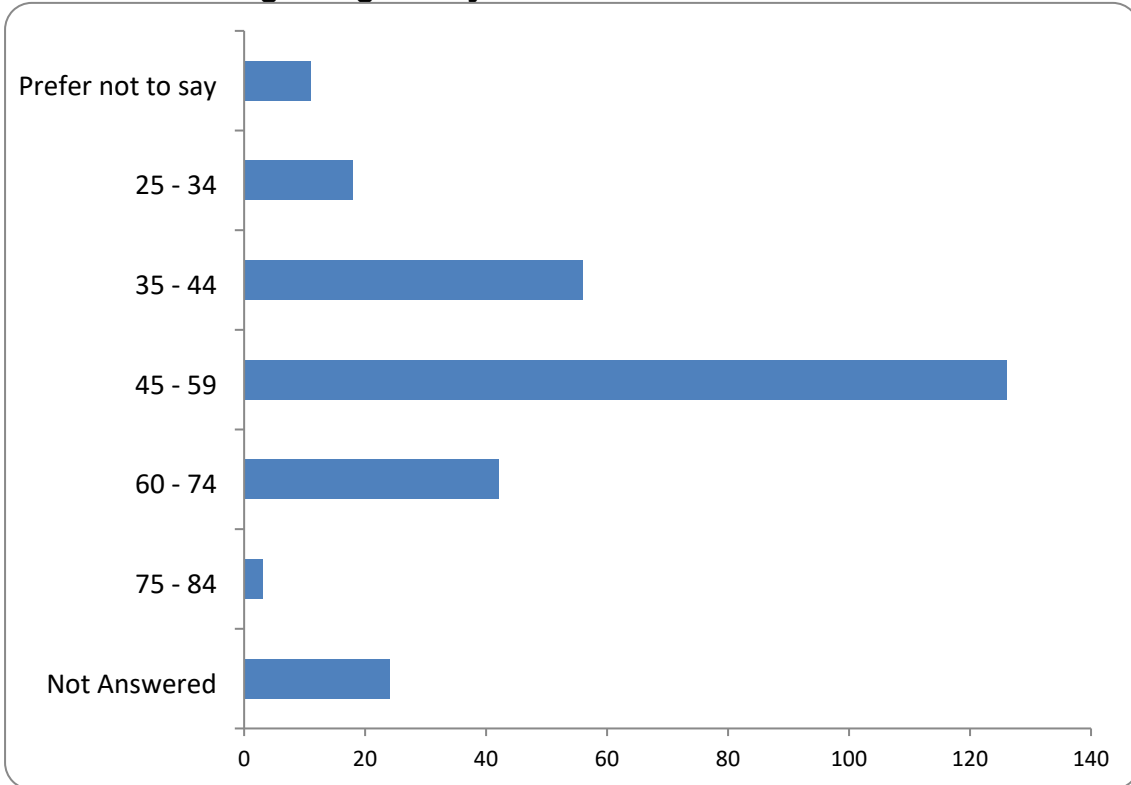
Option	Total	Percent
Yes	191	68.21%
No	64	22.86%
Not Answered	25	8.93%

How would you describe your gender?



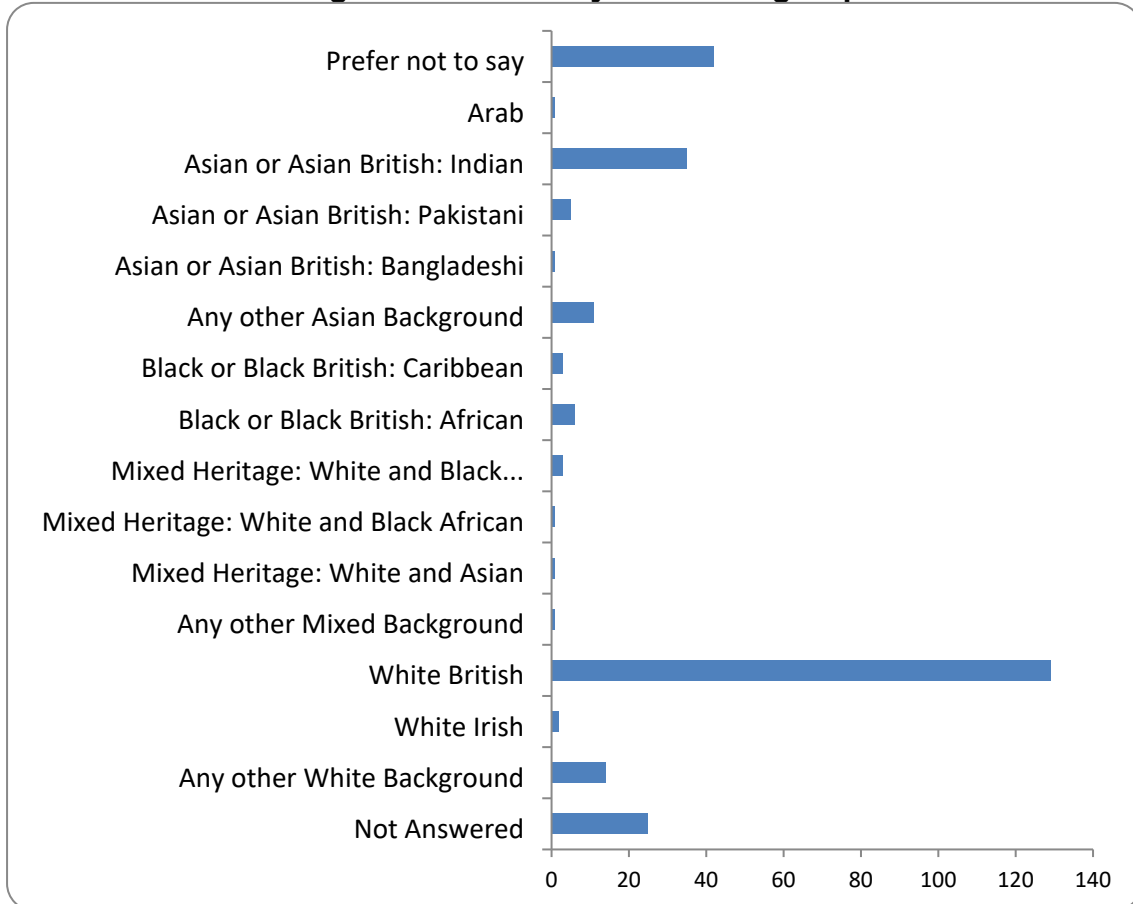
Option	Total	Percent
I prefer not to say	29	10.36%
Female	128	45.71%
Male	97	34.64%
I describe myself another way	2	0.71%
Not Answered	24	8.57%

Which of these age ranges do you fall into?



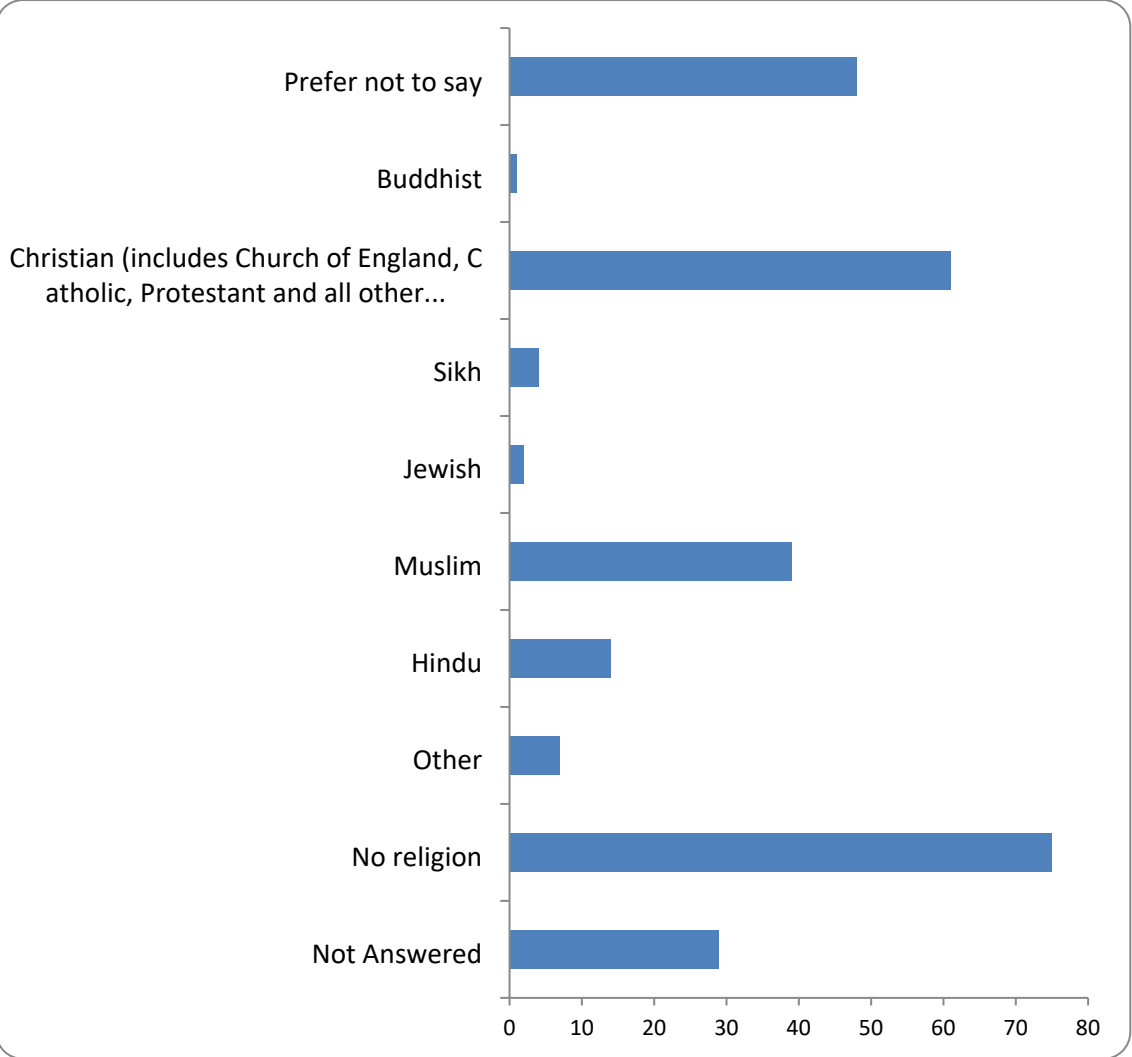
Option	Total	Percent
Prefer not to say	11	3.93%
16 - 24	0	0.00%
25 - 34	18	6.43%
35 - 44	56	20.00%
45 - 59	126	45.00%
60 - 74	42	15.00%
75 or over	0	0.00%
75 - 84	3	1.07%
85+	0	0.00%
Not Answered	24	8.57%

Which of the following best describes your ethnic group?



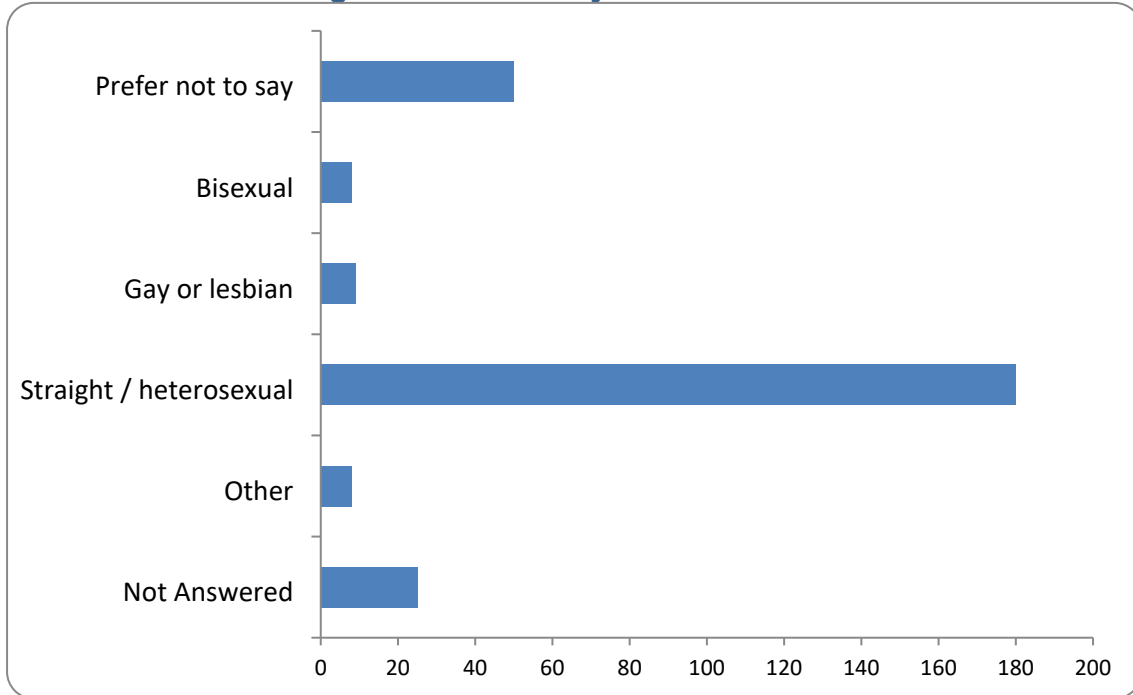
Option	Total	Percent
Prefer not to say	42	15.00%
Arab	1	0.36%
Asian or Asian British: Indian	35	12.50%
Asian or Asian British: Pakistani	5	1.79%
Asian or Asian British: Bangladeshi	1	0.36%
Asian or Asian British: Chinese	0	0.00%
Any other Asian Background	11	3.93%
Black or Black British: Caribbean	3	1.07%
Black or Black British: African	6	2.14%
Any other Black Background	0	0.00%
Mixed Heritage: White and Black Caribbean	3	1.07%
Mixed Heritage: White and Black African	1	0.36%
Mixed Heritage: White and Asian	1	0.36%
Any other Mixed Background	1	0.36%
White British	129	46.07%
White Irish	2	0.71%
Any other White Background	14	5.00%
Not Answered	25	8.93%

What is your religion/belief?



Option	Total	Percent
Prefer not to say	48	17.14%
Buddhist	1	0.36%
Christian (includes Church of England, Catholic, Protestant and all other Christian Denominations)	61	21.79%
Sikh	4	1.43%
Jewish	2	0.71%
Muslim	39	13.93%
Hindu	14	5.00%
Other	7	2.50%
No religion	75	26.79%
Not Answered	29	10.36%

Which of the following best describes your sexual orientation?



Option	Total	Percent
Prefer not to say	50	17.86%
Bisexual	8	2.86%
Gay or lesbian	9	3.21%
Straight / heterosexual	180	64.29%
Other	8	2.86%
Not Answered	25	8.93%

Appendix 1 – Proposed Scheme and Examples of the Impact on Different Households

		Vulnerable					Other				
Band	Discount	Single Person	Couple with no children	Couple or Lone Parent with one child/young person	Couple or Lone Parent with two children/young persons	Couple or Lone Parent with three or more children/young persons	Single Person	Couple with no children	Couple or Lone Parent with one child/young person	Couple or Lone Parent with two children/young persons	Couple or Lone Parent with three or more children/young persons
Weekly Net Income											
1	100%	£0 to £150	£0 to £150	£0 to £150	£0 to £200	£0 to £250	N/A	N/A	N/A	N/A	N/A
2	75%	£150.01 to £225	£150.01 to £225	£150.01 to £300	£200.01 to £350	£250.01 to £400	£0 to £150	£0 to £150	£0 to £150	£0 to £200	£0 to £250
3	50%	£225.01 to £300	£225.01 to £300	£300.01 to £375	£350.01 to £400	£400.01 to £450	£150.01 to £225	£150.01 to £225	£150.01 to £300	£200.01 to £350	£250.01 to £400
4	25%	£300.01 to £375	£300.01 to £375	£375.01 to £450	£400.01 to £500	£450.01 to 550	£225.01 to £300	£225.01 to £300	£300.01 to £375	£350.01 to £400	£400.01 to £450
5	0%	£375.01+	£375.01+	£450.01+	£500.01+	£550.01+	£300.01 +	£300.01 +	£375 +	£400.01 +	£450.01 +

Additional category (Couple/Lone Parent with three or more children/young persons) adopted following consideration of consultation feedback.

- Each qualifying non-dependant attracts a 20% reduction in entitlement.
- Vulnerable households are those with a claimant, partner or child receiving at least one qualifying income:
 - Middle or Higher Rate Care component of the Disability Living Allowance
 - Enhanced Rate Daily Living Component of Personal Independence Payments

- Carers' Allowance or the Carer's Element of Universal Credit
- Income-related Employment & Support Allowance
- Support Component of contribution-based Employment & Support Allowance
- UC with a Limited Capability for Work or Limited Capability for Work Related Activity Element
- Households where a dependent child or young person is in receipt of a disability benefit.
- Child Benefit, Fostering Allowance, Child's Guardian's Allowance, Special Guardianship Allowance, Armed Forces Independence Payments, War Widow & War Disablement Pensions, Housing Benefit, Universal Credit Housing Costs & discretionary awards are disregarded.
- Childcare Disregards of up to £300 are deducted from income.
- Households with more than £6,000 in savings are ineligible.
- We will also offset disability-related income for second and subsequent household members (after the first), to ensure that multiply-disabled households are not disproportionately disadvantaged.

Appendix 4 – Case Studies

CASE STUDY 1: How small changes impact CTS

- Single adult, Band A property – average 16 hours work per week + Universal Credit. £673 for the year, 10 x instalments of £67.
- Resident's bill is ultimately recalculated in total 9 times in 9 months – each causes a new bill and reset payment plan, legal limit for next payment date is 14 days later to allow for the new bill to be received before it falls due – this means that previously set payment dates are missed.
- Nov '23, income increased by £9.67 – remaining instalments increased by £65.
- by Jan '24 £362.45 is due for the final instalment – despite the resident having not missed a payment or failed to report a change, and their income having changed by no more than £30 per week.
- In this case we were able to make a special payment arrangement and extend payments to 12 months – but many pay by 12 months as default – this is by no means an extreme example.

Current CTSS:

CT bill	CT liability outstanding	CT instalment	Monthly income	% of monthly income required
April	£673.20	£70.20	£676.20	10.4%
May	£673.20	£67	£676.20	9.9%
June	£611.70	£79.70	£682.95	11.7%
July	£656.56	£92.56	£737.03	12.6%
August	£881.39	£224.83	£862.80	26.1%
September	£603.44	£119.44	£737.03	16.2%
October	£484	£121.00	£737.03	16.4%
November	£363	£121.00	£737.03	16.4%
December	£372.27	£186.27	£746.70	24.9%
January	£362.45	£362.45	£737.03	49.2%

Proposed CTSS:

CT bill	CT liability outstanding	CT instalment	Monthly income	% of monthly income required
April	£573.13	£57.34	£676.20	8.5%
May	£515.79	£57.31	£676.20	8.5%
June	£458.48	£57.31	£682.95	8.4%
July	£401.17	£57.31	£737.03	7.8%
August	£343.86	£57.31	£862.80	6.6%
September	£286.55	£57.31	£737.03	7.8%
October	£229.24	£57.31	£737.03	7.8%
November	£171.93	£57.31	£737.03	7.7%
December	£114.62	£57.31	£746.70	7.8%
January	£57.31	£57.31	£737.03	7.8%

CASE STUDY 2: Single Vulnerable Person

- Resident in a band A property has an assessable income of £138.20 per week, including Employment & Support Allowance.
- Receives support of 100% of their Council Tax (increased from 80% under the current scheme)
- No income changes, so currently pays 10 x instalments of £23.

Household Income (weekly):

Employment & Support Allowance	£90.50
E&SA Support Component	£47.70
Housing Benefit (disregarded)	£90
Council Tax Support (disregarded)	£17.63
Total (including disregarded):	£245.83

	Council Tax Support		Council Tax to pay	
	Weekly	Annually	Weekly	Annually
Current scheme	£17.63	£917	£4.41	£229.26
Proposed scheme	£22.04	£1,146.26	£0	£0
Better / worse off			+£4.41	+£229.26

CASE STUDY 3: Single Vulnerable Person, additional adult with earnings in property

- Resident has an assessable income of **£224 per week** including Personal Independence Payments (enhanced, daily living)
- Maximum support would be 100% of their council tax, but this reduces to 75% due to income.
- The additional adult further reduces support to 55% of tax.
- Support **increases** from 40% of tax under the current scheme.

HOUSEHOLD INCOME (weekly):

Personal Independence Payments	£108.55
Earned income (after tax/N.I.)	£115.45
UC Housing Costs (disregarded)	£115
Council Tax Support (disregarded)	£11.76
Non-dependant income	£220
Total: (including disregarded)	£570.76

	Council Tax Support		Council Tax to pay	
	Weekly	Annually	Weekly	Annually
Current scheme	£8.82	£458.50	£13.23	£687.75
Proposed scheme	£12.12	£630.44	£9.92	£515.82
Better / worse off			+£3.31	+£171.93

Current CTSS:

CT bill	CT liability outstanding	CT instalment	Monthly income	% of monthly income required
April	£687.75	£68.82	£1924	3.6%
May	£687.75	£68.77	£1924	3.6%
June	£672.59	£91.70	£1953	4.7%
July	£747.50	£143.41	£1934	7.4%
August	£1,037.82	£142.92	£2104	6.8%
September	£734.05	£299.72	£1853	16.2%
October	£607.62	£159.25	£1910	8.3%
November	£469.86	£161.33	£1989	8.1%
December	£483.27	£248.36	£1996	12.4%
January	£483.27	£483.27	£1996	24.2%

Proposed CTSS:

CT bill	CT liability outstanding	CT instalment	Monthly income	% of monthly income required
April	£515.82	£51.60	£1924	2.7%
May	£464.22	£51.58	£1924	2.7%
June	£412.64	£51.58	£1953	2.6%
July	£361.06	£51.58	£1934	2.7%
August	£481.41	£80.24	£2104	3.8%
September	£315.21	£63.05	£1853	3.4%
October	£252.16	£63.04	£1910	3.3%
November	£189.12	£63.04	£1989	3.3%
December	£126.08	£63.04	£1996	3.3%
January	£105.09	£63.04	£1996	3.3%

CASE STUDY 4: Two Child Family, Not Vulnerable

- Resident and partner in a band A property have an assessable income of **£370 per week**.
- Child benefit is disregarded from the calculation of income.
- Receives support of 50% of their council tax bill.
- Support **decreases** from 80% under the current scheme)
- This household would be proactively targeted with council tax discretionary relief and other available discretionary support.

HOUSEHOLD INCOME (weekly):

Earned income (after tax/N.I.)	£250
UC Personal Allowance	£120
Child Benefit (disregarded)	£42.55
UC Housing Costs (disregarded)	£178.36
Council Tax Support (disregarded)	£23.51
CTDR (disregarded)	£5.88
DHPs (disregarded)	£16.64
Total: (including disregarded)	£636.94

	Council Tax Support		Council Tax to pay	
	Weekly	Annually	Weekly	Annually
Current scheme	£23.51	£1,222.67	£5.88	£305.67
Proposed scheme	£14.70	£764.17	£14.70	£764.17
Better / worse off (average)			-£8.82	-£458.50

Current CTSS:

CT bill	CT liability outstanding	CT instalment	Monthly income	% of monthly income required
April	£305.67	£30.63	£1,603	1.9%
May	£305.67	£30.56	£1,603	1.9%
June	£275.60	£35.07	£1,580	2.1%
July	£294.66	£40.73	£1,720	2.6%
August	£394.01	£98.93	£1,550	5.8%
September	£268.70	£52.55	£1,580	3.4%
October	£214.66	£53.24	£1,590	3.3%
November	£160.36	£53.24	£1,600	3.3%
December	£163.80	£81.96	£1,501	5.1%
January	£159.48	£159.48	£1,501	10.2%

Proposed CTSS:

CT bill	CT liability outstanding	CT instalment	Monthly income	% of monthly income required
April	£764.17	£76.42	£1,603	4.8%
May	£687.75	£76.42	£1,603	4.8%
June	£611.33	£76.42	£1,580	4.8%
July	£936.18	£133.74	£1,720	7.8%
August	£401.22	£66.87	£1,550	4.3%
September	£334.35	£66.87	£1,580	4.2%
October	£267.48	£66.87	£1,590	4.2%
November	£200.61	£66.87	£1,600	4.2%
December	£133.74	£66.87	£1,501	4.5%
January	£66.87	£66.87	£1,501	4.5%