

Council Tax Reduction Scheme 2023/2024 - APPENDIX A

The table below shows how the proposed scheme will impact those in receipt of council tax reduction. Based on current claimants, under the new proposal 40.3% would receive an increase in entitlement, further detail on those impacted is shown further on.

	Number (excluding pensioners)	percentage
No change in entitlement	1619	41%
Increase in entitlement	1565	40.3%
Reduction in entitlement	267	6.8%
No longer entitled	427	11%

The table below shows where the increases occur, which are mostly in the lower income brackets.

Increases			
Weekly Income Bands			
Single person with no children		Couple with no children	
£0-£100	372	£0-£140	27
£100.01-£180	53	£140.01-£220	14
£180.01-£240	3	£220.01-£280	1
£240.01-£300	0	£280.01-£340	0
over £301.01	0	over £340.01	0
Single person with 1 child		Couple with 1 child	
£0-£165	237	£0-£205	24
£165.01-£245	36	£205.01-£285	4
£245.01-£305	4	£285.01-£345	0
£305.01-£365	1	£345.01-£405	0
over £365.01	0	over £405.01	0
Single person with 2 children		Couple with 2 children	
£0-£220	193	£0-£260	41
£220.01-£300	131	£260.01-£340	15
£300.01-£360	38	£340.01-£400	2
£360.01-£420	2	£400.01-£460	2
over £420.01		over £460.01	0
Single person with 3 children		Couple with 3 children	
£0-£330	153	£0-£340	40
£330.01-£385	4	£340.01-£395	11
£385.01-£445	0	£395.01-£455	2
£445.01-£505	0	£455.01-£515	1
over £505.01	0	over £515.01	

Examples of calculations are shown below:

Example 1 – reduction in entitlement

North Herts Council Council Tax Reduction (CTR)
Reduction in entitlement: Example 1

A couple with 4 children with an income of £783 per week and a current CTR entitlement of £20 per week would now receive £8.51 per week

Child benefit x 4	£65.15 per week	Total weekly income £783.26
Universal Credit	£531.56 per week	
Carers Allowance	£69.70	
DLA for child	£116.85	
Less disregarded income of £251.70 Less disabled disregard of £50		Assessable Income £481.56
Assessable income of £481.56 = Band 4 – 25% reduction Council tax liability is £34.05 per week Award of 25% = £8.51 reduction		

Example 2 - reduction in entitlement

North Herts Council Council Tax Reduction (CTR)
Reduction in entitlement: Example 2

A Couple with no children with an income of £426 per week and a current CTR entitlement of £6.63 per week would not qualify for a reduction

Wages per week	£273.50	Total weekly income £426.25
Universal Credit per week	£152.75	
Less earnings disregard of £50		Assessable Income £376.25
Assessable income of £376.25 = Band 5 – 0% reduction Council tax liability is £34.05 per week Award of £0		

Example 3 - reduction in entitlement

North Herts Council Council Tax Reduction (CTR)
Reduction in entitlement: Example 3

A Couple with 3 dependant children with an income of £502 per week and a current CTR entitlement of £16.78 per week would now receive £15.27 per week

Wages	£234.99	Total weekly income £502.38
Child Tax Credit per week	£179.84	
Working Tax Credit per week	£36.85	
Child Benefit x 3	£50.70	
Less earnings disregard of £50 Less child benefit disregard		Assessable Income £401.68
Assessable income of £401.68 = Band 3 – 45% reduction Council tax liability is £33.95 per week Award of 45% = £15.27 reduction		

The table below shows the income bands where the reductions occur.

Reductions			
Weekly Income Bands			
Single person with no children		Couple with no children	
£0-£100	0	£0-£140	0
£100.01-£180	9	£140.01-£220	26
£180.01-£240	0	£220.01-£280	8
£240.01-£300	0	£280.01-£340	2
over £301.01	0	over £340.01	0
Single person with 1 child		Couple with 1 child	
£0-£165	0	£0-£205	0
£165.01-£245	18	£205.01-£285	23
£245.01-£305	1	£285.01-£345	6
£305.01-£365	1	£345.01-£405	4
over £365.01	0	over £405.01	0
Single person with 2 children		Couple with 2 children	
£0-£220	0	£0-£260	0
£220.01-£300	20	£260.01-£340	24
£300.01-£360	29	£340.01-£400	11
£360.01-£420	5	£400.01-£460	0
over £420.01	0	over £460.01	0
Single person with 3 children		Couple with 3 children	
£0-£330	6	£0-£340	0
£330.01-£385	30	£340.01-£395	14
£385.01-£445	8	£395.01-£455	7
£445.01-£505	9	£455.01-£515	6
over £505.01	0	over £515.01	0

Examples of calculations are shown below:

Example 4 – Increase in entitlement

North Herts Council Council Tax Reduction (CTR)
Increase in entitlement: Example 1

Single person living with 2 non dependent adults with an income of £136.45 per week and a current CTR entitlement of £8.15 would now receive £38.30 per week

Wages £136.45	Total weekly income £136.45
Less earnings disregard of £50	Assessable Income £86.45
Assessable income of £86.45 = Band 1– 100% reduction Council tax liability is £38.30 per week Award of 100% = £38.30 reduction	

Example 5 – Increase in entitlement

North Herts Council Council Tax Reduction (CTR)
Increase in entitlement: Example 2

A Couple with no children with an income of £121 per week and a current CTR entitlement of £22.57 per week would now receive £30.09 per week

Universal Credit £121.32	Total weekly income £121.32
Assessable income of £121.32 = Band 1– 100% reduction Council tax liability is £30.09 per week Award of 100% = £30.09 reduction	

Example 6 – Increase in entitlement

North Herts Council Council Tax Reduction (CTR)
Increase in entitlement: Example 3

A single person with 2 children with an income of £395 per week and a current CTR entitlement of £9.91 per week would now receive £11.48 per week

Wages £180.32 Universal Credit £178.82 Child Benefit x 2 £36.25	Total weekly income £395.39
Less earnings disregard of £50 Less disregarded income of £36.25	Assessable Income £309.14
Assessable income of £309.14 = Band 3– 45% reduction Council tax liability is £25.53 per week (after SPD) Award of 45% = £11.48 reduction	