

Annex D (Initial analysis for CTRS 2013/14 report)

Equality Analysis Report

Sefton's Local Council Tax Reduction Scheme

Background

The Spending Review 2010 announced that support for Council Tax would be localised from April 2013 and funding reduced by 10 per cent from the same date. The Government subsequently consulted on proposals for the localisation of Council Tax support in England and the outcome of that consultation process was published in December 2011. The provisions that require local authorities to put in place their own localised Council Tax Reduction Scheme from 1 April 2013 are contained in the Local Government Finance Act 2012.

Localisation of Council Tax support is part of a wider set of government reforms to the welfare system that are aimed at improving the incentives to work and ensuring resources are used more effectively, with a view to reducing worklessness and ending a culture of benefit dependency.

The Government legislated that Councils should ensure that pensioners are not worse off under any local scheme. The Government also stated¹ that, in developing local Council Tax Reduction Schemes, Councils should consider protecting other vulnerable groups. The Government confirmed that it did not intend to prescribe the protection that local authorities should provide for such groups, but legislation that Councils have to be cognisant of includes:

- the public sector Equality Duty (*The Equality Act 2010*);
- the duty to mitigate effects of child poverty (*The Child Poverty Act 2010*); and
- the duty to prevent homelessness (*The Housing Act 1996*)

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Section 1

What's changing?

The current system:

People who are out of work and in financial need may be on one of three working age benefits – income-based Job Seeker's Allowance, income-related Employment and Support Allowance and Income Support. These benefits are described as being 'passported'.

Under current Council Tax Benefit arrangements, if a claimant is receiving a passported benefit all their income and capital up to £16,000 is completely disregarded. This results in them receiving up to 100 per cent Council Tax Benefit and avoids the need for further means-testing.

For those who are means-tested for Council Tax Benefit, i.e. those with low levels of income but in financial need, there are thresholds and disregards for earned and unearned income which determine how much Council Tax Benefit is awarded.

The proposed Council Tax Reduction Scheme:

Sefton Council, in accordance with government guidelines, has designed a draft 'Local Council Tax Reduction Scheme' which was consulted upon between 6th August 2012 and 29th October 2012

The main features of the Draft Scheme for non pensioners are:

- 1. All persons claiming under the new Scheme should pay at least 20% of their Council Tax bill*
- 2. £6,000 is the proposed savings or capital limit per claim and above this limit there will be no entitlement under the new scheme*
- 3. the second Adult Rebate Scheme will be removed*
- 4. the facility to backdate an award will be removed*
- 5. Non dependant deductions will either be removed or replaced by two flat rate deductions*

Means Test

Currently, Council Tax Benefit recognises the additional financial burden of disability through a system of allowances and premiums within the means test. The Council's proposed scheme continues to include these features and disregards certain benefits such as Disability Living Allowance/ Personal Independence Payments. This in effect is a positive move as such benefits are paid to a person to cover additional expenses as a consequence of having a disability in a world designed for able bodied people and the consequent accompanying barriers. As such it is correct not to treat it as a 'disposable income'.

In addition , some people with disabilities who are in receipt of Employment and Support Allowance are eligible for earnings disregards of £20 per week or £97.50 per week if the work they do would help to improve their health or stop their health deteriorating.

People with disabilities are also eligible for a higher earnings disregard (so a higher proportion of their earned income will be disregarded from the calculation of the amount of Council Tax Reduction payable than for people without a disability). This, again, is a positive move for people with a disability who are in paid work. However people with a disability who do not have an earned income cannot benefit from this.

The Council Tax Benefit means test also recognises the additional financial burden faced by families, through a system of allowances and premiums for children, couples and lone parents. Child Benefit and some childcare costs are also disregarded.

The Council's proposed Council Tax Reduction Scheme continues to include these features and as such the scheme positively recognises the need to support those with children.

The current national scheme takes account of the income of a family unit (household) and the Council's proposed scheme will continue to operate on the same basis because of the relationship between Council Tax and the property the household occupies.

Section 2

Impact Assessment

The above features only apply to means tested claimants. However, people receiving a passported benefit will be expected, under the Council's draft Council Tax Reduction Scheme, to contribute 20% to their Council Tax bill. The assumption being that all on benefits will be incentivised to work, even though some people are either exempt from looking for work or it is simply beyond expectation.

- Adults in receipt of **severe disability premium** or **enhanced disability premium** may simply be beyond employment and this would be an unrealistic expectation.

Severe Disability Premium

One qualifies for severe disability premium if the applicant is in receipt of a "qualifying benefit" of:-

- Attendance Allowance
- Middle or Higher Rate of the Care Component of Disability Living Allowance
- Constant Attendance Allowance
- Exceptional Severe Disablement Allowance.

And

The person lives alone or only with other people who also receive one of the benefits listed above

And

No one receives Carers Allowance for looking after them

Enhanced Disability Premium

- Enhanced Disability Premium is paid to people who receive the highest rate of the care component of Disability Living Allowance.
- Enhanced Disability premium is also paid to adults assessed as needing 'Employment and Support Allowance - Support Component'. The Support Component is awarded if you are assessed as having "limited capability for work related activity" - basically recipients would find it very difficult to work. Claimants who are terminally ill, have a specific disease or severe disablement or are pregnant are examples.

There are also people who are not required to be actively seeking work:

- Lone parents with children under 5 are exempt from looking for work as they have particular difficulties in both finding and maintaining employment because of their caring responsibilities

It is evident that not everyone claiming welfare benefits and Council Tax Benefit is capable of work and many are exempt from work tests.

Other working age benefit claimants may need consideration due to social sensitivities such as war pensioners, in recognition of the sacrifice they or their partners have made. However, Sefton Council will continue to have due regard to the Armed Forces Covenant and, for all claimants, will continue to ignore War Disablement and War Widow's pensions in calculating council tax reductions, including any Armed Forces Compensation payments, in accordance with the Covenant.

Appendix A lists impact assessments through a range of case studies and calculation.

Section 3

Data Analysis

Current data:

At the time of writing there are 33,372 households in Sefton in receipt of Council Tax Benefit. Of these there are 3,390 claims from people already in work. Of which 2,546 are female and 844 are male, showing that female workers are more likely to claim Council Tax Benefit.

There are 29,671 claimants not in work and on benefits (12,362 Male, 17,309 female). There are 311 Second Adult rebate claimants.

Of the 29,671 claimants there are 15,507 claims from Pension Age claimants who will not be affected by the Council Tax Reduction Scheme. This leaves a total of 17,863 claimants categorised as 'working age'

In this cohort of 17,863 there are 5,555 claimants classed as 'lone parents'. Lone parents can be subdivided in to two groups: those with children under 5 years of age (and as such exempt from the Department for Work and Pensions looking for working tests) and parents with children over 5 years of age

Lone parents with a child or children under 5 years old total 2,075 in number, of which 2,027 are female and 48 are male.

Lone parents with a child or children over 5 years of age total 3,480 in number, of which 3,186 are female and 294 are male.

This clearly demonstrates that lone parents are overwhelmingly female.

Limitations of the Data

Information on claimants comes to the Council via two routes:

- (1) Individual applications to the Council for Council Tax Benefit; and,
- (2) Confirmation of passported benefit from the Department for Work and Pensions.

Passported benefits:

The Department for Work and Pensions when accepting a claim simply informs the Council that the claimant is now eligible for a passported benefit. However the Department for Work and Pensions does not pass on any information as to which other benefits the claimant is now in

receipt of – it could range from Child Tax Credits to Attendance Allowance. **Sefton Council has repeatedly asked for a detailed breakdown of the types of benefits claimants are on under the Passported scheme from the Department for Work and Pensions who have consistently refused to share such information.**²

This means that we cannot calculate the numbers of people who receive a passported benefit and a disability related benefit. Therefore we cannot make any accurate prediction of how many will be affected by the Council Tax Reduction Scheme, only that there is a high probability that there will be such claimants.

We know this because when data is examined on standard claims to the Council (not passported by the Department for Work and Pensions) we can see the following:

- **Carer Premium**

At present Sefton is awarding a Carer Premium to 188 cases. (If the Council was to exempt this group from paying any contribution toward their Council Tax then the additional cost would be £32,654.26. This would ensure these claimants do not suffer any loss of benefit next year.)

- **Employment and Support Allowance**

At present Employment and Support Allowance is recorded in 95 cases (if the Council was to exempt this group the additional cost would be £15,400.91 in additional Council Tax Reduction Scheme payments).

- **Severe Disability Premium**

At present Severe Disability Premium is awarded in 166 cases (If the Council was to exempt this group then the additional cost would be £25,607.72 in additional Council Tax Reduction Scheme payments)

Claimants in receipt of more than one of the above

²The Government is working towards a data sharing solution where local authorities are informed of Universal Credit claimants' circumstances, provided the information was relevant to the Universal Credit award. This means that local authorities will be able to see which individual elements of Universal Credit make up the maximum amount for each claimant, and this can inform their choices around scheme design (.para 4.15) 'Localising support for Council tax – taking work incentives into account' May 2012 Communities and Local Government

At face value, the total cost of ensuring that the above claimants do not have to make a payment toward their Council Tax would be £73,662.89. However, some claimants are in receipt of more than one of the above.

- 2 claimants are entitled to all 3 premiums
- 2 claimants get Care Premium and Severe Disability Premium
- 5 claimants get Care Premium and ESA
- 20 claimants get ESA and Severe Disability Premium
(This means the cost of awarding additional Council Tax Reduction to all 3 categories would reduce to around **£65,000**)

Section 4

Equality Act 2010

In order to meet equality legislation the Council has to consider (section 149):

A public authority must, in the exercise of its functions, have due regard to the need to –

(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Whilst there is a general acceptance of ‘austerity measures’ and ‘we are all in it together’ the Government in proposing the scheme says the following³

‘The Government has considered the situation for low income pensioners who would currently be eligible for support with their council tax bill. Unlike most other groups, pensioners cannot be expected to seek paid employment to increase their income. The Government therefore proposes that as a vulnerable group, low income pensioners should be protected from any reduction in support as a result of this reform.’

And that:

‘...in developing local council tax reduction schemes, vulnerable groups should be protected. Government did not intend to prescribe the protection that local authorities should provide for other vulnerable groups.’

The Government has exempted people of pensionable age from local schemes (i.e. those who have reached the age when they can qualify for pension credit). It has also introduced a rule to help local authorities work out whom else can be identified as vulnerable for the purposes of their Council Tax Reduction Scheme; namely those, in a strong sense, that cannot be expected to seek paid employment

In analysing the data available, the following has been determined:

- Lone parents of children under 5 (predominantly female) who are benefit dependent will be disproportionately affected by the draft Council Tax Reduction scheme, which will impact on child poverty.

³ Communities and Local Government, ‘Localising Council Tax Equality Impact Assessment January 2012’ section 1 ISBN: 978-1-4098-3304-8

- People claiming disability benefits, in particular those in receipt of Severe Disablement Allowance, Carer's Allowance, and Employment Support Allowance will be disproportionately affected by the draft Council Tax Reduction Scheme

The scheme will have no disproportionate impacts on issues related to:

- Religion
- Sexuality
- Transgender
- Race
- Marital status

The Equality and Human Rights Commission's, 'Using the equality duties to make fair financial decisions. A guide for decision-makers' recommends that there are four possible outcomes of an equality impact assessment. More than one may apply to a single proposal:

- **Outcome 1: No major change required** when the Equality Impact Assessment has not identified any potential for discrimination or adverse impact and all opportunities to promote equality have been taken.
- **Outcome 2: Adjustments to remove barriers identified by the Equality Impact Assessment or to better promote equality.** Are you satisfied that the proposed adjustments will remove the barriers identified?
- **Outcome 3: Continue despite having identified some potential for adverse impact or missed opportunities to promote equality.** In this case, the justification should be included in the Equality Impact Assessment and should be in line with the duty to have 'due regard'. For the most important relevant policies, compelling reasons will be needed. You should consider whether there are sufficient plans to reduce the negative impact and/or plans to monitor the actual impact.
- **Outcome 4: Stop and rethink** when an Equality Impact Assessment shows actual or potential unlawful discrimination

In relation to this Equality Impact Assessment, the outcomes of which link to 2 & 3 above, the Council needs to mitigate with regard to gender and disability. The Council also needs to monitor the implementation of the

Scheme, should it be adopted, with a view to developing a better understanding of the impact on people to inform the preparation of future schemes.

Mitigation:

It's clear that the current draft Council Tax Reduction Scheme will have an impact on all claimants (as their income reduces whilst seeking work in a slow economy) and a disproportionate impact on some (income being reduced but with little or no option of employment).

As such the Council, should the Scheme be adopted, will have to put in place mitigating actions. This could be achieved by working in partnership with the voluntary, community and faith sector on the provision of Food banks & Clothing Banks for example.

In order to ensure compliance with the Equality Duty and to mitigate any potential disproportionate impacts, should the Scheme be adopted, the Council will put the following in place:

- A Discretionary Hardship fund for Council Tax Reduction Scheme claimants with fair and transparent criteria for awards
- A review of the procedures for the collection of non payment of Council Tax to ensure no disproportionate impact on the most vulnerable households.
- A monitoring and review process to assess impact
- Work with voluntary sector in developing food banks

The Government has belatedly recognised the difficulty the scheme places on communities and has proposed a 'transitional fund'. Council should examine whether or not it would be beneficial to apply to this fund

Section 5

Consultation

A series of consultation events and methods took place and a full report is available. However a number of concerns have arisen from the data around equality issues such as 'disability benefits' and 'lone parents'

Summary of issues related to Postcode:

The following is a summary of main headings for comments, broken down by postcode area. (The quotes are a summary of a number of comments provided, however suggestions, where listed, are given verbatim).

Postcode	Comment
L10	Concerns for carers and older people. Not able to afford Council Tax
L20	Lone parents will lose income, and low income families and unemployed expected to pay more. Suggestion – address shortfall by taking monies out of households earning £50k+
L21	Unemployed and young parents will be driven towards debt. Vulnerable adults will be overly affected
L22	Risk of increasing homeless figures as 18 year olds may need to leave home due to changes. Suggestion – Council should better pursue non payment of arrears
L23	Concern about changes of Welfare Reform, in conjunction with Council Tax Scheme, on all household budgets, including people with disabilities.
L29	Very important that each individual case is assessed fairly and consistently
L30	Rising utility bills and changes to Welfare Reform mean disabled and vulnerable people will be disproportionately affected
L31	Disabled and low income families will suffer most
L37	Concerns for single parents, families with children and carers. Suggestion – ensure all people on housing lists are found accommodation so they too can contribute.
L38	Those with disabilities and low income families will be affected most
PR4	Concerns on effects on disabled, low income families and single unemployed people. Suggestion – Need for improvement of collection of Council Tax arrears
PR8	Single parents, people with disabilities and unemployed will be hit most. Self employed are being asked to pay too much, and need to be left to create jobs, pay business rates, etc

PR9	Carers and families with children will be affected most. Suggestion – need to means test all recipients of benefit, including pensioners
Unassigned	Single parents and families will lose money with this scheme. Formal disagreement that pensioners should be exempt.

Breakdown of respondents by Equality Data

Respondents were asked to indicate answers against Equality data questions, the breakdown of which is:

Disability

199 respondents answered affirmatively when considering Learning Difficulties – 39.19% (**78** in total) indicating a Long Term Illness Affecting Daily Activity, followed by 23.11% indicating Mental Health/Distress and a further 20.1% indicating a Physical impairment. **97** respondents answered affirmatively when considering themselves to be disabled, which may include cancer, diabetes or HIV.

Disability (Do you have any of the following?)	Yes	Age Range			
		Oldest		Youngest	
Learning Difficulty	9	Oldest	51	Youngest	30
Mental Health/Distress	46	Oldest	58	Youngest	23
Physical Impairment	40	Oldest	84	Youngest	25
Visual Impairment	10	Oldest	91	Youngest	45
Hearing Impairment/Deaf	16	Oldest	91	Youngest	36
Long term illness affecting daily activity	78	Oldest	82	Youngest	30

Ethnicity/ Religion or Belief

264 of our of 280 respondents who answered indicated they were “White British” or “White English” in terms of ethnicity, with fewer numbers for the other classifications.

Ethnicity - do you identify as...	Total
White British	145
White English	119
White Irish	5
White Scottish	4
White Welsh	3
Black African	1
Black Caribbean	1
Mixed Ethnic Background Black Caribbean & White	1
Other White background	1

Religion / Belief

159 (92.4%) out of 172 who answered indicated they were Christian, 2.91% Buddhist, and 0.58% each for Jewish and Muslim.

Christian	159
Buddhist	5
Pagan	2
Roman Catholic	2
Muslim	1
Jewish	1
Church of England	1
Wiccan	1

Sexual Orientation

On Sexual Orientation, **251** (94.36%) out of 266 respondents who answered indicated they were Heterosexual, 3.0% were Gay, 2.25% Bisexual, and 0.37% Lesbian

Heterosexual	251
Gay	8
Lesbian	1
Bisexual	6

Gender at birth

100% of the **271** respondents who answered the question indicated that they currently live in the gender given to them at birth.

Telephone survey:

As part of a 'control group' to ensure non benefit claimants were included in the consultation a telephone survey was conducted, as well as the questions in relation to the detail of the scheme they were also asked:

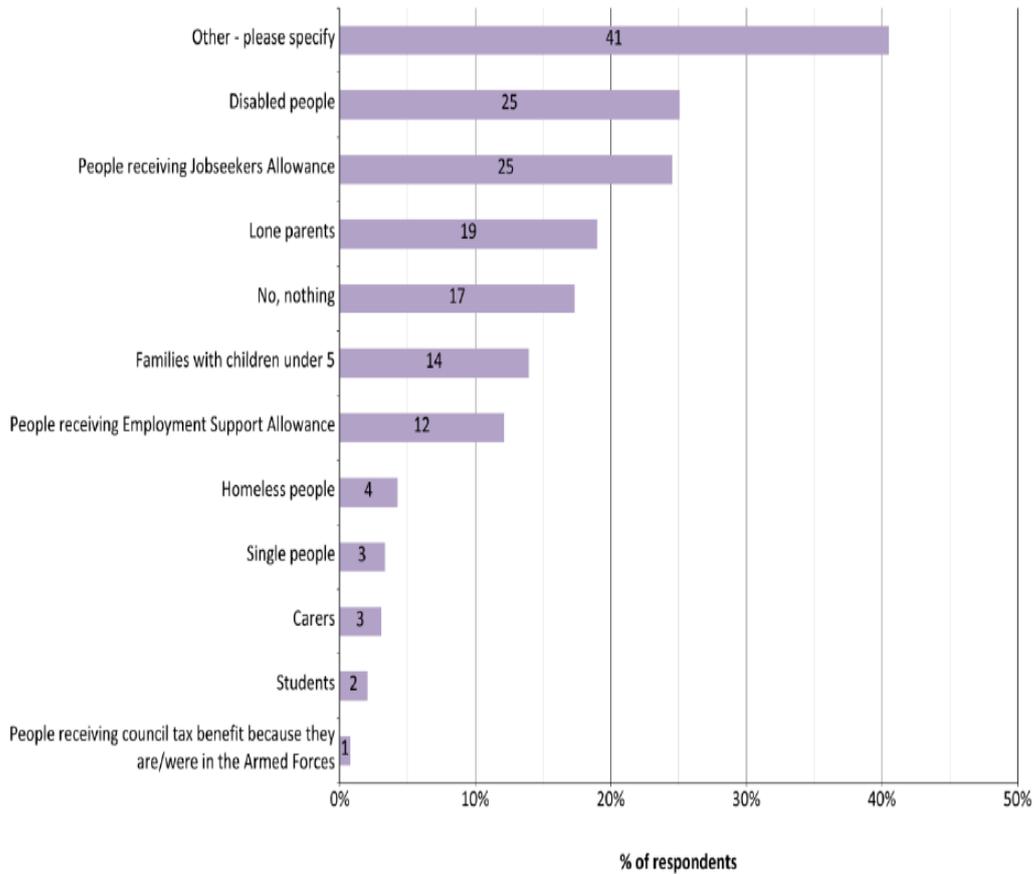
“Do you think there are any groups of people in Sefton who may be more affected than others if everyone receiving support for their Council Tax (except pensioners) has to pay something towards their Council Tax bill?”
Base: All Respondents (261)

The results are provided in the following graph where the most frequently mentioned 'Other' groups included:

- People and families on a low income
- unemployed young people
- 'Vulnerable' people generally

- People experiencing health and/or mental health issues

base: All respondents (201)



Both the telephone survey and e-consult shows that the community has shared worries about disability and young families within the Council Tax Reduction Scheme.

Section 6

Conclusion and Recommendations

The draft Local Council Tax Reduction Scheme closely follows the Government's guidelines and has retained some strong features around 'disregards' and as such softens any impact on working families and people who are working but also in receipt of disability benefits.

However, as it is the Government's intention to 'make work pay' and as such reduce the level of benefits available to people 'able and seeking work', there are a small number of people who will be affected adversely. In the main, these are likely to be people who are either legally exempt from work tests or extremely unlikely to be able to work due to a severe disability. As such, the draft Council Tax Reduction Scheme impacts on these groups in a way that they cannot avoid, such that it becomes a disproportionate impact.

In order to meet the public sector equality duty under the Equality Act 2010 mitigation has to take place. Preference being a discretionary hardship fund established before the roll out of the scheme in April 2013.

The monitoring of the implementation of the Scheme will need to take place as outlined above to understand its interaction with the Work Programme and other Welfare Reform changes and new areas of responsibility such as localisation of community care grants and crisis loans. Those areas are all changing too and whilst every effort is being made to understand how they can interact positively, it is impossible at this stage to know their combined behavioural effect.

As there are a large number of variables still in play, it is imperative that this programme is fully monitored and this is also linked to the understanding of:

- Homelessness and Housing benefit changes.
- Crèche and childcare for under 5s
- Rate of employment in Sefton
- Non payment of Council Tax and the costs of recouping such
 - One of the features of universal credit is that benefits will be paid in one lump sum to most households, monthly in arrears and will include money to cover housing costs. For some people, making their own rent payments and having to manage over a longer period of time could be very challenging.

- In addition, benefit capping and the size criteria reduction (in Housing Benefit) will mean more tenants will have to top up their rent from money previously available for personal and household expenses. Many people living on limited incomes are already expert money managers, but for some, particularly those who are vulnerable, new tenants, tenants transferring to a new home or people experiencing a sudden drop in income due to job loss or relationship breakdown will find it particularly difficult to make ends meet and pay priority taxes.

Case studies:

The following examples are for illustrative purposes only. They are designed to show the possible effects of Sefton's proposed Council Tax Reduction Scheme for different

non-pensioner households and income categories. Also identified are the outcomes of existing Council Tax Benefit and central government's preferred option of using 91.5 per cent of liability to calculate a Council Tax Reduction.

Example 1 – Emma

Household attributes

Emma is a working single parent with an 8 year old daughter. She works 16 hours per week and pays child care costs for her daughter to attend after school club.

Property attributes – 3 bedroom One Vision property (Registered Social Landlord)

- ✓ She has lived at the property since she was a child
- ✓ She succeeded the tenancy from her mother who passed away 3 years ago
- ✓ Weekly rent £87.50
- ✓ Weekly Housing Benefit £65.15

Council Tax Attributes

- ✓ Property is in band A
- ✓ Emma receives a 25% Council Tax discount as she is the only adult resident
- ✓ Council Tax bill is £742.33 per year before Council Tax Benefit

The existing Council Tax Benefit calculation – the main factors

- Total weekly income of £268.18
- Weekly Council Tax Benefit of £7.36
- Yearly Council Tax bill £358.56

Examples of what the Council Tax Reduction Scheme would pay If the scheme was based on 91.5% of liability

- Weekly Council Tax Reduction £6.15
- Yearly Council Tax bill £421.65
- Council Tax bill increased by £63.09 from £358.56 to £421.65 (17.6% increase)

If the scheme was based on 80% of liability

- Weekly Council Tax Reduction £4.51
- Yearly Council Tax bill £507.17
- Council Tax bill increased by £148.61 from £358.56 to £507.17 (41.4% increase)

Impact of other Welfare Reform or Localism changes in 2013

Emma's Housing Benefit will be cut by £12.25 per week from April 2013 because she rents from a Registered Social Landlord and will be classed as under-occupying her 3 bedroom house (She only needs 2 bedrooms)

Example 2 – Jim and Jane

Household attributes

Jim and Jane are a couple with 3 children aged 12, 10 and 8. Jane works 21 hours per week. Jim has recently become unemployed.

Property attributes

They own their home, but the house is up for sale as they are struggling to pay the mortgage since Jim lost his job.

Redundancy monies have been used to pay off outstanding loans and credit card debts.

As they work less than 24 hour per week between them they cannot claim Working Tax Credit. Additionally, Jim's Jobseeker's Allowance will run out in the next 6 weeks as he is only entitled to it for a maximum of 26 weeks.

Council Tax attributes

- ✓ Property is in Council Tax band D
- ✓ Annual Council Tax Bill is £1484.66 before Council Tax Benefit

The existing Council Tax Benefit calculation – the main factors

- Total weekly income of £478.70
- Weekly Council Tax Benefit of £12.86
- Yearly Council Tax bill £814.10

Examples of what the Council Tax Reduction Scheme would pay

If the scheme was based on 91.5% of liability

- Weekly Council Tax Reduction £10.44
 - Yearly Council Tax bill £940.19
- Council Tax bill increased by £126.09 from £814.10 to £940.19 (15.5% increase)

If the scheme was based on 80% of liability

- Weekly Council Tax Reduction £7.17
- Yearly Council Tax bill £1,110.80
- Council Tax bill increased by £296.70 from £814.10 to £1,110.80 (36.4% increase)

Impact of other Welfare Reform or Localism changes in 2013

As they work less than 24 hours per week between them they can no longer claim Working Tax Credit.

Example 3 – Deirdre

Household attributes

Deirdre is a 53 year old single claimant and has a 20 year old son living with her. Her son works 16 hours per week and earns less than £183 per week, whilst studying part time at college.

Property attributes – 2 bedroom privately rented property

- ✓ Rent is £115.38 per week
- ✓ Housing Benefit is £58.43 per week

Council Tax attributes

- ✓ Property is in band B for Council Tax
- ✓ Council Tax bill is £1154.74 before Council Tax Benefit

The existing Council Tax Benefit calculation – the main factors

- Total weekly income of £146.00
- Non dependant deduction of £3.30
- Weekly Council Tax Benefit of £4.85
- Yearly Council Tax bill £901.85

Examples of what the Council Tax Reduction Scheme would pay

If the scheme was based on 91.5% of liability

- Weekly Council Tax Reduction £1.96
- Yearly Council Tax bill £1,052.54
- Council Tax bill increased by £150.69 from £901.85 to £1,052.54 (16.7% increase)

If the scheme was based on 80% of liability

- Weekly Council Tax Reduction £0.42
- Yearly Council Tax bill £1,132.84
- Council Tax bill increased by £231.80 from £901.85 to £1,133.65 (25.7% increase)

Non Dependant Deductions

Depending on which of the proposals are adopted, the weekly Council Tax Reduction figure cited above will be increased by either £3.30 or £1.30.

Impact of other Welfare Reform or Localism changes in 2013

Deirdre's Housing Benefit will be reduced by £5.77 per week as a result of the changes to Local Housing Allowance which were introduced from April 2011.

Example 4 – Rod and Jane

Household attributes

Rod and Jane are a couple with 2 children, who are both under 5. Rod was made redundant 14 months ago. They are on Income-based Jobseeker's Allowance.

Property attributes

- ✓ Owner occupier – mortgaged

Council Tax Attributes

- ✓ Property is Council Tax band C
- ✓ Council Tax bill is £1319.70 before Council Tax Benefit

The existing Council Tax Benefit calculation – the main factors

- Total weekly income of £269.65 is disregarded
- Weekly Council Tax Benefit of £25.38
- Yearly Council Tax bill £0.00 (full entitlement)

Examples of what the Council Tax Reduction Scheme would pay

If the scheme was based on 91.5% of liability

- Weekly Council Tax Reduction £23.22
- Yearly Council Tax bill £112.26
- Council Tax bill increased from £0.00 to £112.26 (8.5% increase)

If the scheme was based on 80% of liability

- Weekly Council Tax Reduction £20.30
- Yearly Council Tax bill £264.10

- Council Tax bill increased from £0.00 to £264.10 (20% increase)

Impact of other Welfare Reform or Localism changes in 2013

None

Example 5 – Geoffrey

Household attributes

Geoffrey is a 32 year old single man who is unemployed and receiving Income-based Jobseeker's Allowance of £71.00 per week. He was made redundant 2 months ago.

Property attributes - 1 bedroom privately rented property

- ✓ Rent is £92.31 per week
- ✓ Housing Benefit is £66.00 per week

Council Tax attributes

- ✓ Property is in Band A for Council Tax
- ✓ He receives a single occupier discount
- ✓ Council Tax bill is £742.33 before Council Tax Benefit

The existing Council Tax Benefit calculation – the main factors

- Total weekly income of £71.00
- Weekly Council Tax Benefit of £14.24
- Yearly Council Tax bill £nil

Examples of what the Council Tax Reduction Scheme would pay if the scheme was based on 91.5% of liability

- Weekly Council Tax Reduction £13.03
- Yearly Council Tax bill £62.91
- Council Tax bill increased from £nil to £62.91 (8.5% increase)

If the scheme was based on 80% of liability

- Weekly Council Tax Reduction £11.39
- Yearly Council Tax bill £148.42
- Council Tax bill increased from £nil to £148.42 (20% increase)

Impact of other Welfare Reform or Localism changes in 2013

Due to changes in Local Housing Allowance for single claimants who are under 35 and live alone in privately rented property, Geoffrey has seen his Housing Benefit reduce from £87.69 to £66.00 per week.

Example 6 - Stuart

Household attributes

Stuart is a 35 year old disabled single man. He lives on his occupational pension and disability living allowance. He has £9,000 savings.

Property attributes

- ✓ Owner Occupier

Council Tax attributes

- ✓ Property is in band C for Council Tax and he receives a sole occupancy Discount.
- ✓ Council Tax bill is £989.77 before Council Tax Benefit

The existing Council Tax Benefit calculation – the main factors

- Total weekly income of £304.82
- Weekly Council Tax Benefit of £3.97
- Yearly Council Tax bill £782.76

Examples of what the Council Tax Reduction Scheme would pay Because the proposed scheme disallows working age customers with capital over £6,000

- Stuart would not qualify for a Council Tax Reduction
- Yearly Council Tax bill £989.77
- Council Tax bill increased by £207.01 from £782.76 to £989.77 (26.4% increase)

Impact of other Welfare Reform or Localism changes in 2013

None