

## Case studies and scheme comparison

The following case studies are based on real life examples of current Council Tax support claimants. Names have been changed but income details are as declared to the council.

**Monika** green works full time and has two children in secondary school. She owns her home and currently qualifies for a 50% reduction in her council tax, which is £9.60 per week.

Earnings - £382.08

Universal Credit - £89.93

Child Benefit - £39.90.

**Total - £511.91**

This is between the current 50% threshold of **£485.35 and £540.39**.

Under the proposed rules for options 3 and 4 she would not qualify for any help at all as her income is above the weekly amount of **£433.58**.

If Monika could not afford her new council tax instalments, she would be advised to apply for a discretionary reduction from the Welfare Support team.

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**Gracie** works 30 hours per week and has a 2-year-old, whose nursery care costs £211 per month. She rents a 2-bedroom property in Keynsham for £825. Currently she does not receive any help with her council tax.

Earnings - £224.98

Universal Credit - £281.40 (includes £190.38 Housing costs element and £48.69 Childcare element)

Child Benefit - £24.00

**Total - £530.38**

This is above the current 50% threshold which applies in Gracie's case of **£490.40**, so she does not qualify for any help.

Under the proposed rules for options 3 and 4 the Housing Costs and Childcare Elements of Universal Credit would be deducted and so her total income would be

Earnings - £224.98

Universal Credit - £42.33

Child Benefit - £24.00

**Total - £291.31**

This means that her income would fall into the range of **£285.10 and £335.09** and she would be entitled to a **40%** reduction in her council tax bill.

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**Andy** has 4 children aged 2 to 5. He rents his 4-bedroom home from Curo in Midsomer Norton. He currently receives an 80% reduction in his council tax. He is also affected by the Benefit cap.

Universal Credit £351.76 per week (includes £177.96 Housing Costs element)

Child Benefit - £71.70

**Total - £423.46**

This is between the range of **£320.20 and £430.29** and so he qualifies for an 80% reduction under the current rules.

Under the proposed rules for options 3 and 4 the Housing costs element would be deducted from his Universal Credit entitlement so his total income would be

Universal Credit - £173.80

Child Benefit - £71.70

**Total - £245.50.**

This is between the income range of **£233.58 – £333.57** and he would remain on an 80% reduction under option 3 or move to an 85% reduction under option 4.

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**Clive** lives with his adult son (30 years old). They rent a 2-bedroom house in Weston in Bath. He currently receives an 80% reduction on his bill.

Universal Credit - £235.09 (includes £150 Housing costs Element).

This is between the range of £220.20 and £330.29 and so he receives an 80% reduction.

Under the proposed rules for options 3 and 4 the Housing costs element would be deducted from his Universal Credit entitlement so his total income would be

Universal Credit - £85.09.

This is below the range of **£85.10 to £185.09** and so he would qualify for a 100% reduction in his bill.

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**Zoe** (47) lives on her own in Timsbury and rents a flat from a private landlord for £650. She currently receives an 80% reduction in her bill.

Universal Credit - £235.10 (includes £150 Housing Costs Element).

This is between the range of £220.20 and £330.29 and so she receives an 80% reduction.

Under the proposed rules for options 3 and 4 the Housing costs element would be deducted from her Universal Credit entitlement so her total income would be

Universal Credit - £85.09.

This is below the range of **£85.10 to £185.09** and so she would qualify for a 100% reduction in her bill.

### **Other councils**

Neighbouring councils to B&NES which operate income banded LCTS schemes include **South Gloucestershire** council, which has a 20% minimum payment amount. This scheme applies to all working age applicants and where the claimant receives an income related benefit or Maximum Universal Credit, they are automatically placed within the 80% reduction bracket.

<i><u>Income band</u></i>	<i><u>Weekly Income Range £</u></i>	<i><u>Percentage</u></i>
1	0 to 120	80
2	120.01 to 150	50
3	150.01 to 200	30
4	200.01 to 250	20
5	250.01 to 300	10
6	300.01 and over	0

If the circumstances of the case study examples were used in this scheme, Monika would not qualify for any help at all, Gracie would qualify for a 10% reduction and Andy, Clive and Zoe would qualify for an 80% reduction.

The newly formed County Unitary **Somerset** council also operates an income banded LCTS scheme, which was introduced from April 2023. They have included a 100% reduction band, as is proposed under options 3 and 4. The Housing Cost element is also disregarded as are certain other income types. This scheme also includes increased income thresholds for couple households and households with children.

Discount	Single Person	Single Person one child	Single Person 2 or more children	Couple	Couple with one child	Couple with two or more children
100%	£0-£95.00	£0-£160.00	£0-£220.00	£0-£140.00	£0-£200.00	£0-£260.00
75%	£95.01-£155.00	£160.01-£220.00	£220.01-£290.00	£140.01-£210.00	£200.01-£260.00	£260.01-£330.00
40%	£155.01-£190.00	£220.01-£255.00	£290.01-£370.00	£210.01-£260.00	£260.01-£295.00	£330.01-£410.00
25%	£190.01-£235.00	£255.01-£290.00	£370.01-£480.00	£260.01-£310.00	£295.01-£330.00	£410.01-£520.00

Under the rules of this scheme Monika for a 40% reduction, Gracie would qualify for a 25% reduction, and Andy, Clive and Zoe would qualify for a 100% reduction. A summary of scheme comparisons is below.

Persona	B&NES Current scheme	B&NES proposed options 3 and 4	South Gloucestershire	Somerset
Monika	50%	0	0	40%
Gracie	0	40%	10%	25%
Andy	80%	80/85%	80%	100%
Clive	80%	100%	80%	100%
Zoe	80%	100%	100%	100%