

Case Studies from the IWC Local Council Tax Support Scheme Consultation 2020/21

The case studies below give examples of how Option 2, 2a, 2b,2c and Option 3 might affect various households who currently receive Local Council Tax Support.

(Please note that in the case studies for Options 2a, 2b and 2c, the figures provided are applicable only to that specific option.)

Case Study in receipt of a Passported Benefit under Option 2:

(Passported Benefits include Income Support, Job Seekers Allowance (income based) or Employment and Support Allowance (income related))

Mr Black lives alone in a Band A property and gets Job Seekers Allowance (income based) of £73.10 per week.

He currently gets an annual discount of £678.29 (70 per cent) through Local Council Tax Support. This means he pays £290.70 per year for his Council Tax.

Under the 'Income Grid scheme', he would receive a discount of 70 per cent, meaning he would have the same level of Council Tax to pay as he currently does.

Case Study in receipt of a Disability Benefit under Option 2:

(Disability Benefits include Disability Living Allowance, Personal Independence Payments or Employment and Support Allowance support component)

Mr Yellow lives alone in a Band A property. He receives Employment and Support Allowance (income related) of £128.45 per week. He also receives Personal Independence Payment daily living component of £87.65 per week and mobility component of £23.20 per week which are disregarded as income.

He currently gets an annual discount of £657.97 (70 per cent) through Local Council Tax Support. This means he pays £281.99 per year for his Council Tax.

Under the 'Income Grid scheme', he would receive a discount of 70 per cent, meaning he would have the same level of Council Tax to pay as he currently does.

Case Study under Option 2:

Mr Pink lives in a Band A property with two children and gets Universal Credit of £237.18 per week which includes help toward his rental liability, and Child Benefit of £34.40 per week which is disregarded.

He currently gets an annual discount of £679.25 through Local Council Tax Support. This means he pays £291.11 per year for his Council Tax.

Under the 'Income Grid scheme' Option 2, he would get an annual discount of £581.91, meaning he would have to pay £388.45 per year for his Council Tax. This is £97.34 more than he currently pays.

Case Study under Option 2:

Mr and Mrs Red live in a Band D property with seven children and a non-dependant. They receive £332.04 Child Tax Credit per week, and Child Benefit of £102.90 per week which is disregarded.

They currently get an annual discount of £996.72 through Local Council Tax Support, as their maximum support is capped at the level of a Band C property. This means they pay £941.27 per year for their Council Tax.

Under the 'Income Grid scheme' Option 2, they would get an annual discount of £480.24, meaning they would have to pay £1457.75 per year for their Council Tax. This is £516.48 more than they currently pay.

Case Study under Option 2a (Disregarding Carers Allowance):

Mrs Orange is a single person with two non-dependants living with her in a Band B property. She receives earnings of £128.00 per week and Carers Allowance of £66.15 per week.

She currently gets an annual discount of £143.02 through Local Council Tax Support. This means she pays £1319.14 per year for her Council Tax.

Under the Income 'Grid' scheme Option 2a, she would get an annual discount of £668.47, meaning she would have to pay £793.69 per year for her Council Tax. This is £525.45 less than she currently pays.

Case Study under Option 2b (Standardised earnings disregard):

Mr and Mrs Brown live in a Band B property. Mrs Brown has earnings of £136.15 per week. Mr Brown has no income.

They currently get an annual discount of £917.96 through Local Council Tax Support. This means they pay £550.19 per year for their Council Tax.

Under the 'Income Grid scheme' Option 2b, they would get an annual discount of £1027.74, meaning they would have to pay £440.41 per year for their Council Tax. This is £109.78 less than they currently pay.

Case Study under Option 2c (Standardised Non-Dep Deduction £2):

Ms Green is a single parent with one child. She earns £145.97 per week and receives Child Tax Credit of £64.12 per week, and Child Benefit of £20.70 per week which is disregarded.

She also has a non-dependent, who has one dependent child, living with her in her Band B property. The non-dependant earns £40.21 per week and receives Universal Credit of £111.56 per week, meaning a weekly deduction of £4 per week is taken from Mrs Green's Local Council Tax Support.

She currently gets an annual discount of £584.80 through Local Council Tax Support. This means she pays £918.92 per year for her Council Tax.

Under the 'Income Grid scheme' Option 2c, she would get an annual discount of £656.48, meaning that she would pay £847.24 per year for their Council Tax. This is £71.68 less than she currently pays.

Case Study under Option 3 (Claim in receipt of Infected Blood payment):

There are no current examples of a claimant in receipt of payments from an Infected Blood Scheme.

For any claimant that receives such payment, under the proposed option this amount will be disregarded as income or capital.

This means that the claimant will either benefit from the proposed option, or their entitlement will remain the same as current if they are in receipt of a passport or disability benefit which entitles them to the maximum support of 70 per cent of their Council Tax liability.