

APPENDIX 3

Case Studies from the IWC Local Council Tax Support Scheme Consultation 2021/22

The case studies below give examples of how Option 1, Option 2 and Option 6 might affect various households who currently receive Local Council Tax Support.

(Please note that in the case studies, the figures provided are applicable only to that specific option.)

Option 1 – Reduce the maximum level of support to 65 per cent or 60 per cent

Mr. Blue 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 £704.16 (70 per cent) through LCTS. This means he pays £301.77 per year for his council tax.

Under Option 1, if the maximum support level was reduced to 65 per cent, he would pay £352.08 per year. This is £50.31 per year more than he currently pays.

Under Option 1, if the maximum support level was reduced to 60 per cent, he would pay £402.37 per year. This is £100.60 per year more than he currently pays.

Option 2 – Remove the current blanket protection of claimants in receipt of a disability benefit

Mr. Yellow lives alone in a Band A property. He receives Employment and Support Allowance (income related) (ESAir) 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 £684.71 through LCTS. This means he pays £293.44 per year for his council tax.

Under this option, 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.

Option 2 – Remove the current blanket protection of claimants in receipt of a disability benefit

Mr. and Mrs. Red live in a Band C property. Mr. Red receives a private pension of £6.00 per week and State Pension of £177.50 per week. He also receives Personal Independence Payment daily living component of £89.15 per week and mobility component of £62.25 per week, which are both disregarded as income.

Mrs. Red receives £67.25 per week Carers Allowance which is disregarded as income under our current scheme, and Universal Credit of £24.31 per week.

They currently get an annual discount of £1188.06 per year through LCTS, meaning that they pay £509.17 per year for their council tax.

Under this option, they would get a discount of £678.89 per year, meaning that they would pay £1018.34 per year for their council tax. This is £509.17 per year more than they currently pay.

Option 2 – Remove the current blanket protection of claimants in receipt of a disability benefit, and give a potential income disregard of £50 per week

Mr. and Mrs. Red receive the same income as above, however under this option, they would have a £50 per week disregard applied to their income.

This means that under this option, they would get £1018.34 per year through LCTS. They would pay £678.89 per year for their council tax. This is £169.72 per year more than they currently pay.

Case Study: Option 6 – Disregard the housing element of Universal Credit as income

Mr. and Mrs. Black live in a Band A property with three dependent children. They receive Child Benefit of £48.95 per week which is fully disregarded, and Universal Credit of £305.40 per week. Within their Universal Credit amount, £84.34 per week is assigned as the housing element to assist with their rent.

They currently get an annual discount of £536.50 through LCTS. This means they pay £804.74 per year for their council tax.

Under Option 6, they would get an annual discount of £938.87 through LCTS, meaning they would pay £402.37 per year for their council tax. This is £402.37 less than they currently pay.