

New Council Tax Reduction Scheme from April 2020 – Working Examples

Example A

Household: Single under 25 years of age.

Council Tax Liability: Weekly liability of £21.63 (Band A for Council Tax)

Current rate of Council Tax Reduction: £16.22 per week

Rate of Council Tax Reduction under proposed scheme: £19.52 per week (**£3.30 per week gain**)

Income

Type	Weekly Amount	Disregarded
Universal Credit (living costs)	£58.10	No

Weekly Income of **£58.10** taken into account in calculation.

As income is below £74.00 customer would receive highest amount of help through proposed scheme of 90% discount.

In this example the customer is currently paying £5.41 per week towards Council Tax so over 9% of their income per week is being spent on Council Tax. Under the proposed scheme this will reduce to £2.11 – just under 4% of their income.

Example B

Household: Single disabled customer with one dependant child and two other adults (non-dependants) in property who are working.

Council Tax Liability: Weekly liability of £22.30 (Band A for Council Tax).

Current rate of Council Tax Reduction: £2.00 per week.

Rate of Council Tax Reduction under proposed new scheme: £20.13 per week (**£18.13 per week gain**).

Income

Type	Weekly Amount	Disregarded under proposed scheme
Employment and Support Allowance Income Related	£128.45*	Yes (counted as a “passporting” benefit)
Child Benefit	£20.70	Yes
Child Tax Credits	£62.68	No

* We are not provided with the value of passporting benefits so this has been estimated based on gov.uk figures.

As this customer is on a passporting benefit they would receive highest amount of help through the proposed new scheme of 90% discount. There are no non-dependant deductions in proposed scheme. This results in an £18.13 per week gain under the new scheme.