

Council Tax Support Options Paper

Base data @ 30/04/12	Caseload: Pension Age: 14,411 Working Age Passported: 8,576 Working Age Vulnerable: 1,523 (Disability or WDP/WWP) Working Age Other: 5,341 Estimated expenditure @ 01/04/2013: £26,995,940.67			
Note:	CTB posted @ 30/04/12 = £26,897,600.97 CTB posted @ 31/05/12 = £27,096,774.06 Analysis tool calculates total awards on imported data as £27,030,623.58 (difference < 0.5%)			
Caseload trend:	April 2010	April 2011	April 2012	%age change used for future year caseload
All claims	29068	29725	30388	
Pensioners	12734	12740	12756	0.13%
Vulnerable	1360	1399	1252	0.00%
Passported	10366	10063	10153	1.00%
Other	4608	5523	6227	13.00%
Forecast Caseload stats based on increase	Caseload: Pension Age: 14,585 Working Age Passported: 8,486 Working Age Vulnerable: 1,534 (Disability or WDP/WWP) Working Age Other: 5,966 <u>Estimated benefit expenditure @ 01/04/2013: £27,551,931.07</u>			
Option 1	Fully fund shortfall in funding through a 1.5% increase in council tax for all		Will raise £3.4 million but the council will potentially lose further grant of £5 million	
Option 2	Meet the shortfall from cuts to other services and adopt the Government's 'default scheme'		Will not simplify and tailor the scheme at a cost of £3.5 million spread to other service areas.	

<p>Option 3</p>	<p>Maximum eligible amount is reduced to 90% of the Council Tax chargeable limit to all those of working age except those in receipt of disability premium and war widows/ disablement pension</p> <p>Plus</p> <ul style="list-style-type: none"> • Withdraw entitlement to Second Adult Rebate for all working age claims • Withdraw entitlement to Underlying Entitlement <i>(we cannot estimate how much this will exactly save us)</i> • Withdraw entitlement to backdates <i>(for cases of hardship with small needs, we could have a contingency arrangement similar to Discretionary Housing Payment, DHP)</i> • Capital/assets of over £6,000 will not be entitled to CTS • Non-Dependant deduction standardised at £2.50 per week • Earnings taper £0.20 deduction for every £1.00 earned, above need assessment. <p>NOTE ADJUSTMENTS TO BE CONSIDERED:</p> <p>Approx no. of claims affected: 13,900</p> <p>No. of vulnerable cases will increase as Disability Living Allowance (DLA) is added to those passported claims where applicable (estimated no. of passported cases where DLA is in payment 25% = 2,122, therefore expenditure will increase by approx 2,122 x 1515.25 x 10% = £321,547</p> <p>Children under 5 – there are 3463 claims with children under 5, estimated annual expenditure = £2,652,249.46 protecting these cases, would cost an additional: £265,225</p>	<p>Revised Benefit expenditure if changes applied would be £25,975,185.73</p> <p>Plus £321,547</p> <p>Plus £265,225</p> <p>Total benefit expenditure = £26,561,958</p> <p>Reduced costs = £990k</p>
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Plus:	<p>Estimate of additional income raised based on majority of benefit customers living in Band B properties:</p> $8000 \times (1515.25 \times 7/9) \times 10\% =$	£942k
Total	Reductions in costs to meet 10% reduction =	<p>£1,932k</p> <p>Thus this option would still leave a shortfall to be addressed by savings in other services</p>

<p>Option 4</p>	<p>Maximum eligible amount is reduced to 80% of the Council Tax chargeable limit to all those of working age except those in receipt of disability premium and war widows/ disablement pension</p> <p>Plus</p> <ul style="list-style-type: none"> • Withdraw entitlement to Second Adult Rebate for all working age claims • Withdraw entitlement to Underlying Entitlement <i>(we cannot estimate at this stage how much this will exactly save us)</i> • Withdraw entitlement to backdates <i>(for cases of hardship with small needs, we could have a contingency arrangement similar to Discretionary Housing Payment, DHP)</i> • Capital/assets of over £6,000 will not be entitled to CTS • Non-Dependant deduction standardised at £2.50 per week • Earnings taper £0.15 deduction for every £1.00 earned, above need assessment. <p>NOTE ADJUSTMENTS TO BE CONSIDERED:</p> <p>Approx no. of claims affected: 13,900</p> <p>No. of vulnerable cases will increase as DLA is added to those passported claims where applicable (estimated no. of passported cases where DLA is in payment 25% = 2,122, therefore expenditure will increase by approx 2,122 x 1515.25 x 20% = £643,072</p> <p>Children under 5 – there are 3463 claims with children under 5, estimated annual expenditure = £2,652,249.46 protecting these cases, would cost an additional: £530,450</p>	<p>Revised benefit expenditure if changes are applied: £24,917,897.06</p> <p>Plus £643,072</p> <p>Plus £530,450</p> <p>Total benefit expenditure = £26,091,419</p> <p>Reduced costs = £1.46m</p>
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Plus:	<p>Estimate of additional income raised based on majority of benefit customers living in Band B properties:</p> $8000 \times (1515.25 \times 7/9) \times 20\% =$	£1.89m
	<p>Other considerations:</p> <p>Vulnerability criteria will need to be amended to reflect introduction of Personal Independence Payments</p> <p>Universal Credit – which element of income to take into account/standard disregard</p>	
Total	Reductions in costs to meet 10% reduction =	<p>£3.350k</p> <p>Thus this option, all other things being equal, would meet the majority of the forecast national government grant shortfall.</p>

