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Date: Tuesday, 05 December 2023

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Dear Member

## **COUNCIL - THURSDAY, 7 DECEMBER 2023**

I am now able to enclose, for consideration at the Thursday, 7 December 2023 meeting of the Council, the following reports that were unavailable when the agenda was printed.

<b>Agenda No</b>	<b>Item</b>	<b>Page</b>
11.	<b>Council Tax Support Scheme 2024/2025</b>	(Pages 2 - 75)
12.	<b>Council Tax Base 2024/2025</b>	(Pages 76 - 82)

Yours sincerely

June Gurry  
Clerk

**Meeting:** Council Meeting

**Date:** 07 December 2023

**Wards affected:** All

**Report Title:** Proposed Council Tax Support Scheme 2024/25

**When does the decision need to be implemented?** 01 April 2024

**Cabinet Member Contact Details:** Councillor Alan Tyerman, Alan.Tyerman@torbay.gov.uk

**Director Contact Details:** Malcolm Coe, Malcolm.Coe@torbay.gov.uk

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## 1. Purpose of Report

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- 1.1 The Council Tax Support Scheme provides financial support to households that are on a low income or are unemployed, in order to assist them in paying their Council Tax.
- 1.2 This report recommends to Council a replacement to the current Local Council Tax Support Scheme (LCTS) for 2024/25. This would introduce a less complex banded scheme for residents who are of working age in Torbay. The revised scheme is subject to approval by Council in line with the statutory requirement for approval of a scheme.
- 1.3 This report also recommends a change to the level of Council Tax Support provided.

## 2. Reason for Proposal and its benefits

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- 2.1 This report provides an overview of the current scheme and the proposed changes, the financial implications, and the risks.
- 2.2 The new scheme will have a more modern approach, in which the current means tested scheme will be replaced by a simple income grid model, whereby household composition and net income will allocate a percentage reduction to the Council Tax liability.
- 2.3 Whilst the move to such a scheme has been considered previously, practical and environmental factors meant that it was not pursued. However, the move to income banded schemes has gained momentum nationally, with more than seventy local authorities now operating such a scheme, with the main aim to improve efficiency in administration and its general simplification for residents.
- 2.6 The detail of the proposed changes to the current scheme are shown in Appendix 1.
- 2.7 In summary, the current Council Tax Support scheme is based on a now outdated benefit approach which alters entitlement on a weekly basis. By introducing a new banded scheme, its design will reflect a more modern and efficient approach.

2.8 The benefits of this banded Council Tax Reduction scheme are:

- The scheme reduces decision waiting times;
- Some customers will receive a higher level of support;
- It is less complicated than the current Local Council Tax Support scheme;
- A simpler application process for the customer;
- Customers will not receive confusing notification award letters, instead receiving a Council Tax bill showing their calculated reduction;
- Customers will be able to see their entitlement to Council Tax reduction as part of their application process, enabling them to better plan their finances;
- The scheme places the emphasis on the customer to tell us changes in circumstances in line with Universal Credit;
- The scheme reduces administration costs to the Council, including postage and printing;
- The scheme reduces customer contact due to it being simpler and more transparent

2.9 The disadvantages for this Council Tax Reduction scheme are:

- Having to manage the initial change for customers, officers and partners;
- A small minority of customers will have to pay more Council Tax. In such cases, the Council's Discretionary Reductions, (Exceptional Hardship), fund will be available to provide additional financial support;
- There is a risk that a minority of claimants might attempt to falsify financial information

2.10 11,953 Council Tax payers receive Council Tax Support in Torbay which consists of 6,612 working age and 5,341 pension age households.

2.11 In response to the cost of living crisis, the Council allocated additional, one-off, resources in 2023/24 to provide further support to working age residents in receipt of Council Tax Support. Following a consultation that was undertaken in March 2023, it is recommended that on-going revenue funding is allocated to increase the maximum benefit attainable from the 2024/25 Council Tax Support scheme from 70% to 75%.

### 3. Recommendation(s) / Proposed Decision

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3.1 That the Council Tax Support Scheme be amended as follows;

1. Introduction of an income banded scheme where a discount will be applied to the Council Tax liability with the maximum level of discount (for working age residents), to be raised to 75% of the Council Tax liability.
2. Removal of the restriction to the equivalent of Council Tax property band D for households that occupy property in bands E to H.
3. Removal of the requirement for non-dependant deductions.
4. Lowering of the number of hours used to calculate the self-employed minimum income floor for lone parents from 35 to 25 hours.
5. Retention of the number of hours used for calculating the self-employed minimum income floor for single people, couples, and couples with children at 35 hours.
6. Removal of the Extended Payment provision.
7. Retention of the Additional Earnings disregard. Provision of a new disregard for Carer's Allowance.
8. Provision of a new disregard for the support related and work-related activity components for Employment and Support Allowance.

9. Provision of a disregard of £75 per week where the applicant, partner or dependant is in receipt of a disability benefit.

3.2 Allocation of funding to facilitate the new scheme be approved:

(a) £529k to meet the on-going increased benefit allocated through the new banded scheme and the increased maximum level of benefit

(b) £20k increase in the Exceptional Hardship Fund to support any residents adversely affected by the scheme change.

## **Appendices**

Appendix 1: Scheme Changes - detail

Appendix 2 CTSS Consultation Report Nov 23

Appendix 3 Case studies based on 2024/25 band and recommended scheme

Appendix 4 Equality Impact Assessment

# Supporting Information

## 1. Introduction

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- 1.1 In March 2012, the Welfare Reform Bill received Royal Assent and contained provisions for the abolition of Council Tax Benefit. In October 2012, the Local Government Finance Act became law and included the framework for localised Council Tax Reduction schemes which is known as the Council Tax Support scheme.
- 1.2 Statutorily, Local Authorities were required to develop and adopt a Localised Council Tax Support scheme by 31 January 2013, with implementation on 1 April 2013. To an extent, Councils had been given autonomy to develop schemes that met the needs of their local area but were also prescribed a framework, where pensioners are protected.
- 1.3 To enable this activity to be taken forward, the Government provided Local Authorities with a statutory framework that included the following:
  - Local Authorities must have their initial schemes agreed by 31st January 2013.
  - Financial help with Council Tax will now be seen as a discount and not a benefit.
  - There will be no change to the amount of help pension age claimants receive.
  - Councils can decide the rules for their schemes within a prescribed framework, however, must consider the impact on the most vulnerable.
  - Guidance was given to encourage local authorities to ensure local schemes do not act as a disincentive to working.

## Background

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- 1.4 Prior to April 2013, the national Council Tax Benefit scheme was available to taxpayers on low incomes to assist them with their Council Tax liability. This scheme had been in operation since 1993 and was administered by Local Authorities on behalf of the Department for Work and Pensions. Under the national scheme Council Tax payers received up to 100% of their Council Tax liability and the Council then received full funding from the Government for all claims that were correctly awarded.
- 1.5 Following changes introduced by the Local Government Finance Act 2012, local authorities had to devise their own local schemes for low income households to take effect from 1 April 2013.
- 1.6 When devising the new scheme, a detailed analysis of over 35 different financial profiles was undertaken, taking into account the demographic profile of the households receiving Council Tax Benefit at that time. The evaluation process was based upon the principles of fairness and ease of administration.
- 1.7 The scheme was approved by members at Full Council in December 2012 and introduced in the following April 2013. Further changes to the scheme were agreed by members in December 2016 and introduced over the following two financial years, in 2017/18 and 2018/19.
- 1.8 Since 2019/20, the scheme has had further minor changes, so that it continued to be aligned with the current Housing Benefit Regulations and Universal Credit legislation.

### **Torbay's current Council Tax Support Scheme**

- 1.9 Council Tax Support is a local scheme that provides financial support to households that are eligible to pay Council Tax by way of a reduction to their Council Tax bill, dependent upon their income and circumstances. Local authorities have a statutory duty to provide a local scheme for working age households within its area. Pension age households are subject to statutory provisions determined on a national basis that must be incorporated within each authority's local scheme. The Council has no power to change the level of support provided to pensioners and therefore any changes to the level of Council Tax Support, can only be made to the working age scheme.
- 1.10 Torbay's initial scheme was prepared as part of a Devon wide approach, where the overarching principle was to develop a cost neutral scheme that retained many of the characteristics of the old Council Tax Benefit scheme. The current working age scheme has retained the characteristics of the old Council Tax Benefit scheme, with the following changes:
  - The maximum award payable is 70% of the Council Tax charge – introduced from 1 April 2018.
  - Restrict to the equivalent of a Band D property charge and apply the 70% maximum award – introduced from 1 April 2018.
  - Second Adult Rebate is withdrawn, introduced from 1 April 2013.

- Capital/Savings limit set to a maximum of £6,000 – introduced from 1 April 2013.
- To align with Universal Credit legislation, a minimum set income for self-employed after one year's trading, based on the equivalent 35 hours per week at the national minimum wage for the age group – introduced from 1 April 2017.
- To align with Housing Benefit Regulations, limit the number of dependants within the calculation for Council Tax Support to a maximum of two, for households who have a third or subsequent child on or after 1 April 2017 – introduced from 1 April 2017.
- To align with Housing Benefit Regulations, Family Premium is removed for new claims received or for existing cases, where there is a break in entitlement from 1 April 2017 – introduced from 1 April 2017.
- To align with Housing Benefit Regulations, backdating restricted to one month – introduced from 1 April 2017.
- To align with Housing Benefit Regulations, restrict period for which a person can be absent from Great Britain and still receive Council Tax Support to four weeks – introduced from 1 April 2017.

1.11 The Council's Vulnerability Policy and Discretionary Reductions (Exceptional Hardship) Policy are mitigating features of the current Council Tax Support scheme, developed to manage any potential negative impacts in the scheme.

1.12 The Exceptional Hardship fund was introduced from 1 April 2013, to provide financial assistance to working age households with their Council Tax. The fund is available to Council Tax payers receiving Council Tax Support who are facing exceptional financial hardship with the level of any support not meeting their full Council Tax liability.

1.13 The fund has financial limitations and, as such, awards can only be made based on eligibility, whilst having regard to the level of funding available or remaining within the Exceptional Hardship Scheme each financial year.

### **Impact of Universal Credit**

1.14 The introduction of Universal Credit in Torbay commenced in September 2018. This brought a number of challenges to the administration of Council Tax Support and the collection of Council Tax.

1.15 The initial transition to Universal Credit was relatively slow, as it's dependent on a relevant change of circumstances, such as finding or finishing a job. However, the pandemic accelerated this process and currently nearly half of the working age caseload now receive this benefit.

1.16 Around 40% of Universal Credit households will have an adjustment to their entitlement each month and on average, all Universal Credit households will have at least eight changes of income changes a year.

- 1.17 For each change in entitlement for Universal credit, the amount of Council Tax Support is recalculated and will produce a revised Council Tax bill. It also amends payment instalments. This can make budgeting to pay Council Tax far more difficult for low-income households, as they will not have a regular amount to pay. It can then lead to non-payment, resulting in recovery action and potential costs to residents.

## 2. Options under consideration

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- 2.1 To adopt the new proposed scheme.
- 2.2 The alternative to the proposed scheme is to continue with the current means tested scheme, using the same calculation methods. The current scheme calculates entitlement on a weekly basis. It is reactive to change, where multiple changes in entitlement have a significant negative impact on claim administration and billing.
- 2.3 As the number of working age households moving to Universal Credit increases, this method of calculating Council Tax Support is becoming less viable as each change will produce a Council Tax bill and revises payment instalments. On 12 October 2023, the Chief Executive received communication from DWP advising that migration notices to Tax Credit claimants in Torbay will commence in January 2024.

## 3. Financial Implications

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- 3.1 The cost of the scheme is shared between Torbay Council, which includes Adult Social Care precept, (83.2%), Police and Crime Commissioner (12.3%) and Fire and Rescue Service (4.5%).
- 3.2 The current cost of the scheme is around £12.13m, with £5.40m supporting working age households. Moving forward with the current level of discount, the cost would be £12.31m, with £5.58m supporting working age households. An increase of £179,000.

The £179,000 increase can be attributed to the proposals for lifting the current restriction of property band D, the removal of the income adjustment relating to non-dependents and widening of the bands for couples with no children to 'smooth' the discounts applicable.

The proposal to change the maximum Council Tax discount from 70% to 75% would add a further £350k to the cost of the scheme.

The council's Discretionary Reductions (Exceptional Hardship) fund will continue to be available to provide additional financial support to households most in need and will be increased by £20k to further support the impact of the new scheme.

This brings the total increased cost to the Council, compared to 2023/24, to £549,000.

- 3.3 **2024/25 Income Bands**

It was announced in the Autumn Statement on 22nd November 23 that all working-age benefits will increase by 6.7% in April 2024 and the National Minimum Wage will increase by 9.8% for those aged 21 or over. The increase will apply to all households that receive Universal Credit, which makes up just over 58% of the current caseload.

In future years, income bands will be increased by the increase in working-age benefits for the following financial year.

The current means tested scheme will be replaced by a simple income grid model, where the household composition and net income will apply a percentage reduction to the Council Tax liability. The Income bands will be sufficiently wide to avoid constant changes in the discount.

To allow for variation, the band amount will increase where the applicant has a partner and/or dependent children. This effectively replaces Personal Allowances and Premiums used for calculating the current means tested based scheme.

The grid shown in the table below has been carefully modelled on current data and shows the level of support applicable to the household weekly income and composition.

### Weekly Income Bands & Discounts per Household Category

Level of Discount	Single	Couple	Single and 1 Child	Single 2+ Children	Couple and 1 Child	Couple 2+ Children
75%	In receipt of a passported benefit					
75%	£0 to £102.00	£0 to £149.00	£0 to £176.00	£0 to £256.00	£0 to £230.00	£0 to £310.00
55%	£102.01 to £132.00	£149.01 to £189.00	£176.01 to £216.00	£256.01 to £296.00	£230.01 to £270.00	£310.01 to £350.00
40%	£132.01 to £162.00	£189.01 to £229.00	£216.01 to £256.00	£296.01 to £336.00	£270.01 to £310.00	£350.01 to £390.00
20%	£162.01 to £192.00	£229.01 to £269.00	£256.01 to £296.00	£336.01 to £376.00	£310.01 to £350.00	£390.01 to £430.00
0%	£192.01+	£269.01+	£296.01+	£376.01+	£350.01+	£430.01+

## 4. Legal Implications

### 4.1 Schedule 1A(3) of the Local Government Finance Act 1992, states:

Before making a scheme, the authority must:

- a) consult any major precepting authority which has power to issue a precept to it,
- b) publish a draft scheme in such manner as it thinks fit, and

- c) consult such other persons as it considers are likely to have an interest in the operation of the scheme.

## 5. Engagement and Consultation

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5.1 Before final approval of the scheme, Councils are required to consult with:

- Major Precepting Authorities (Police and Fire Authorities);
- The public;
- Relevant stakeholder groups - e.g. Citizens Advice Bureau, representative groups.

Consultation on a change from the maximum level of support from 70% to 75% of liability took place in February 2023.

The consultation process on the proposed change to a banded scheme commenced on 2 October 2023. A seven-week response period was adopted to ensure responses could be considered before these final recommendations.

5.2 Brixham Parish Council was also informed of the proposed scheme change.

5.3 Appendix 2 provides details of the results from the consultation on the proposed change to the banded scheme.

5.4 In terms of the consultation in February 2023 on the proposed change in the maximum support, the consultation was open for just over five weeks during the consultation on the proposed 2023/24 budget for the Council. It was promoted on the Council's consultation webpage and through social media. During the consultation period:

- 146 participants visited at least one page of the Council Tax Support Scheme consultation
- 66 visited multiple webpages
- 16 visited the frequently asked questions page
- 3 visited the key dates page

35 people completed the questionnaire, with 10 of those currently receiving Council Tax Support and 25 not currently receiving Council Tax Support. 20 people either strongly agreed or agreed with the proposal that the maximum amount the council pays within the Council Tax Support scheme should be increased from 70% to 75%, 13 people strongly disagreed or disagreed and 2 people didn't know. Respondents were also asked whether they agreed or disagreed that increasing the maximum amount the Council paid within the scheme should be prioritised over other services which the Council provides – 17 people strongly agreed or agreed, 5 people didn't know and 13 people strongly disagreed or disagreed.

## 6. Purchasing or Hiring of Goods and/or Services

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- 6.1 Implementation will require a change in IT software that's used to administer the scheme. There will be a one-off cost, consisting of a licence fee and enhancement fee to ensure that the system will disregard the disability elements as required.
- 6.2 There will also be a new on-line application form, that will provide the initial efficiencies in administering the scheme and in the longer term have the potential to fully automate the process.
- 6.3 In addition to the one off set up costs there will be an annual software maintenance fee that will be funded through existing service budgets.

## 7. Tackling Climate Change

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- 7.1 No material impact. However, moving away from paper based applications to a more automated scheme will deliver some benefits.

## 8. Associated Risks

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- 8.1 In transitioning from the old to the new scheme, there is a risk that there could be some initial confusion amongst applicants. If not managed well, this could lead to customers not receiving discounts that may be due to them. By simplifying the current scheme and ensuring that we publicise the new scheme effectively, it will become easier for customers to make a claim and administrative costs will also be reduced.
- 8.2 A few households will not benefit from this change and will see a reduction in entitlement. However, increasing the Exceptional Hardship fund will provide greater assistance to those households negatively affected by the changes.

<b>Risk</b>	<b>Description</b>	<b>Mitigation</b>
Cost of scheme is below estimate	Entitlement less than estimated	Core system (Open Revenues) forecasting module and Reporting software (Crystal)
Cost of scheme exceeds estimate	Entitlement more than estimated	Core system) Open Revenues forecasting module and Reporting software (Crystal)

Software delays	<p>Core system supplier unable to deliver software changes for testing prior to annual billing.</p> <p>Procurement of electronic application form</p> <p>Electronic application form software not developed for testing prior to 1 April 2024</p>	<p>Provide specification before November 2023.</p> <p>Regular progress reports on development.</p> <p>Check if a waiver is possible or keep tender period to a minimum</p> <p>Regular progress reports on development.</p>
Competing priorities may result in staff being unable to meet project timescales	<p>Limited staffing resources available</p> <p>HB subsidy audit and sign off for 2021/22 and 2022/23 claims.</p> <p>Single Housing Benefit extract changes – real time data exchange</p> <p>Searchlight encryption – requirement specified in memorandum of Understanding (MoU)</p>	<p>Sufficient capacity must be made available to support the implementation of this scheme. Currently, there is a shortage of experienced staff, so the additional work from this project will add further pressure on already stretched resources.</p> <p>Request extensions.</p> <p>Delaying implementation – contact DWP and request a later date (move to a later tranche).</p> <p>Request an extension.</p>
Potential legal challenge	Any change to CTR can be legally challenged.	Ensure full consultation has taken place with genuine options and that a thorough equality impact assessment has been undertaken.

## 9. Equality Impacts - Identify the potential positive and negative impacts on specific groups

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9.1 Please refer to the report in Appendix 3

## 10. Cumulative Council Impact

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10.1 None

## 11. Cumulative Community Impacts

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11.1 None

### Appendix 1

#### Final Proposed Scheme Changes

**Proposal One - Introducing an income banded scheme, where the highest level of discount will be 75% of the Council Tax liability.**

Discount bands vary depending on weekly income and household composition. The maximum level of discount is 75%, which is defined within the scheme.

Passported benefit means where the applicant or partner receives Employment and Support Allowance, Income Support (income related) or Job Seekers Allowance (income based).

We are proposing to replace the current means tested scheme with a simple income grid model from 1 April 2024, where the household composition and net income will apply a percentage reduction to the Council Tax liability.

The Income bands will be sufficiently wide to avoid constant changes in the discount. To allow for variation the band amount will increase where the applicant has a partner and/or dependent children. This effectively replaces Personal Allowances and Premiums used for calculating the current means tested based scheme.

The new scheme will continue to include the following elements that are in the current scheme.

1. Disability benefits such as Disability Living Allowance and Personal Independence Payments will be disregarded (discounted).
2. Child Benefit, Child Maintenance and child-care costs will be disregarded (discounted).
3. War pensions, war disablement pensions and Armed Forces Independence Payments will be disregarded (discounted).
4. Standard Earnings disregards – if the applicant and/or partner is in full or part-time employment some of the earnings is discounted and a standard income disregard is applied. The amount disregarded depends on personal circumstances (£5, £10, £20 & £25).
5. The savings limit will remain at £6,000.
6. A minimum set income for self-employed after one year's trading, based on the national minimum wage, for the age group, multiplied by a set number of hours (under consultation).
7. The net Universal Credit income calculation will remain unchanged.
8. The Housing Cost element of Universal Credit will continue to be disregarded (discounted).
9. Backdating for a period of to one month, where circumstances allow

**The maximum level of discount will be increased from 70% to 75% of the Council Tax liability to provide additional financial support.**

**Final banded scheme grid**

<b>Level of Discount</b>	<b>Single</b>	<b>Couple</b>	<b>Single and 1 Child</b>	<b>Single 2+ Children</b>	<b>Couple and 1 Child</b>	<b>Couple 2+ Children</b>
75%	In receipt of a passported benefit					
75%	£0 to £102.00	£0 to £149.00	£0 to £176.00	£0 to £256.00	£0 to £230.00	£0 to £310.00
55%	£102.01 to £132.00	£149.01 to £189.00	£176.01 to £216.00	£256.01 to £296.00	£230.01 to £270.00	£310.01 to £350.00
40%	£132.01 to £162.00	£189.01 to £229.00	£216.01 to £256.00	£296.01 to £336.00	£270.01 to £310.00	£350.01 to £390.00
20%	£162.01 to £192.00	£229.01 to £269.00	£256.01 to £296.00	£336.01 to £376.00	£310.01 to £350.00	£390.01 to £430.00
0%	£192.01+	£269.01+	£296.01+	£376.01+	£350.01+	£430.01+

**Proposal two - Removing the restriction to the equivalent Council Tax property band D for households that occupy a property in bands E to H.****Amendment to 2023/24 Council Tax Reduction scheme, section 57, paragraph 57.1**

The current scheme restricts the award to the equivalent of a Band D property charge for households living in a property that has a property band E, F, G or H. The maximum award is then based on the Council Tax liability of the Band D property charge, in Torquay and Paignton or Brixham.

**The Band D restriction will be removed.**

**Proposal three - Removing the requirement for non-dependant deductions.****Amendment to 2023/24 Council Tax Reduction scheme, section 58, paragraph 58.1 to 58.9**

The current scheme will apply a non-dependant deduction where there is another adult, such as a family member or friend, that's over 18 living at the address.

The amount of the deduction depends on the personal and financial circumstances of the non-dependant(s) and is set by the government.

If the claimant and/or partner is registered blind, receives Disability Living Allowance (care component), Personal Independence Payment (daily living component) or an armed forces independence payment, then no deduction is taken.

**Non-dependant deductions will be removed.**

**Proposal four - Lowering the number of hours used to calculate the self-employed minimum income floor for lone parents from 35 to 25 hours**

**Amendment to 2023/24 Council Tax Reduction scheme, section 20**

In the current scheme, if the applicant and/or partner is self-employed, after twelve months trading a minimum level of income (minimum income floor) is calculated and applied if the actual income is below the national minimum hourly wage.

The calculation is based on a standard 35 hour working week, multiplied by the hourly national minimum wage for the appropriate age group.

The earnings amount resulting from this calculation is then reduced by the appropriate tax and national insurance deductions.

**This proposal will be incorporated in the new scheme.**

**Proposal five - Keeping the number of hours used for calculating the self-employed minimum income floor for single people, couples and couples with children at 35 hours**

**Amendment to 2023/24 Council Tax Reduction scheme, section 20**

In the current scheme, if the applicant and/or partner is self-employed, after twelve months trading a minimum level of income (minimum income floor) is calculated and applied if the actual income is below the national minimum hourly wage.

The calculation is based on a standard 35 hour working week, multiplied by the hourly national minimum wage for the appropriate age group.

The earnings amount resulting from this calculation is then reduced by the appropriate tax and national insurance deductions.

**The current arrangements remain within the proposed scheme changes.**

**Proposal six - Removing the Extended Payment provision.**

**2023/24 Council Tax Reduction scheme, sections 60 to 61E.1**

Where applicants have been in receipt of Employment and Support Allowance (income related), Income Support and Jobseekers Allowance (income based) and move into work which ends their entitlement; Council Tax Support can be paid for an additional four weeks after commencing work or increasing their hours. Similar provisions do not exist for households receiving Universal Credit.

As Universal Credit replaces these legacy benefits these provisions are no longer appropriate.

**The extended payment provision will be removed.**

**Proposal seven - Removing Additional Earnings Disregard.**

**2023/24 Council Tax Reduction scheme, Schedule 3, Paragraph 16**

The current scheme applies an additional earnings disregard where the claimant or partner is aged 25 or over and works more than 16 hours with children or 30 hours or more and do not have children.

**This will not go ahead and will remain in the scheme as an additional incentive to work. This change also ties in with the consultation feedback, and mitigates any negative equality impacts referred to in Appendix 3**

**Proposal eight - Providing a new income disregard for Carer's Allowance.**

**Insert to Schedule 4**

In the current scheme, when a Carer's Allowance is received for looking after another person who is of either ill health or disabled, they qualify for a premium that partially offsets that income from the calculation of the award.

To provide additional support for households that receive Carer's Allowance we are proposing to replace the Carer's premium with a disregard that discounts that type of income from the calculation, from 1 April 2024.

**This proposal will be incorporated within the new scheme.**

**Proposal nine - Providing new disregards for the support related and work-related activity components of Employment and Support Allowance.**

**Insert to Schedule 4**

In the current scheme, when a support related or work-related activity component is received in addition to the basic allowance, they qualify for a premium that fully offsets that income from the calculation of the award.

We are proposing to replace the premium for either component with a disregard that discounts that type of income from the calculation, from 1 April 2024.

To support those who are unable to work.

**This proposal will be incorporated within the new scheme.**

**Proposal ten - Providing a further income disregard of £50 per week where the applicant, partner or dependent is in receipt of a disability benefit.**

**Insert to Schedule 4**

In the current scheme, when certain disability benefits are received by the applicant, partner, or dependent, they qualify for one of a number of different disability premiums that either fully or partially offsets their income in the calculation of the award. These premiums will no longer be available in the income banded scheme.

To protect the most vulnerable we will continue to disregard Personal Independence Payments and Disability Living Allowance's.

In addition to this, a further income disregard of £50 per week will apply where the applicant, partner or dependent is in receipt of as disability benefit.

**Remains in the proposed scheme changes but the £50 will be increased to £75 in order to minimise any negative affect on the scheme calculation and the equality impact assessment.**

# Council Tax Support Scheme 2024/25 Consultation Report

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## Executive Summary

From 3 October to 20 November 2023 a consultation was held on the Council Tax Support Scheme for 2024/25.

The consultation sought to determine whether people agreed with the proposed changes to the scheme, which has been largely the same since 2013.

The consultation was promoted via postal surveys, an online survey, press, social media, through e-newsletters such as One Torbay, emails to stakeholder groups, local events, and paper copies in libraries.

In total there were 420 survey responses to the consultation, with more respondents supporting the proposals than not.

A final decision will be made at Full Council on 7 December about the proposed scheme which, if approved, would be implemented from April 2024.

## Why the consultation was needed

The Council Tax Support Scheme helps people on low incomes to pay their council tax and is funded by the council.

There were a number of significant changes proposed in the scheme for 2024– in particular a new income banded scheme for working age households - so a full public consultation was necessary.

## Number of responses received

In total there were 420 survey responses, with 348 of these coming from the 6,000 postal surveys that were sent out, 70 from the online survey, and two from paper surveys left in libraries. There were 24 Free text comments added to some of the surveys.

## Summary Table of results for Council Tax Support Scheme

Below is a summary of the responses to the ten proposals in the consultation with the numbers for each answer and percentages in brackets.

Q No.	Question	Strongly agree	Agree	Don't know	Disagree	Strongly disagree
2	Do you agree with introducing a new income banded discount scheme and retaining the elements listed above in the new scheme? 414 responded to this	61 (15%)	221 (53%)	99 (24%)	13 (3%)	20 (5%)
3	Do you agree with removing the restriction to a Property Band D, for households that occupy a property in band E, F, G or H? 415 responded to this	64 (15%)	162 (39%)	125 (30%)	35 (8%)	29 (7%)

4	Do you agree with removing non-dependant deductions from the calculation of the award? 388 responded to this	54 (14%)	160 (41%)	111 (29%)	42 (11%)	21 (5%)
5	Do you agree with Proposal 4 - lowering the number of hours used for calculating the self-employed minimum income floor for lone parents from 35 to 25 hours? 416 responded to this	66 (16%)	173 (42%)	116 (28%)	31 (7%)	30 (7%)
6	Do you agree with Proposal 5 - Keeping the number of hours used for calculating the self-employed minimum income floor for single people, couples and couples with children at 35 hours? 414 responded to this	44 (11%)	190 (46%)	126 (30%)	37 (9%)	17 (4%)
7	Do you agree with Proposal 6 - removing the extended payment provision? 416 responded to this	42 (10%)	166 (40%)	115 (28%)	63 (15%)	30 (7%)
8	Do you agree with Proposal 7 - removing the additional earnings disregard? 415 responded to this	41 (10%)	148 (36%)	130 (31%)	68 (16%)	28 (7%)
9	Do you agree with Proposal 8 - disregarding Carer's Allowance income from the calculation? 411 responded to this	91 (22%)	176 (43%)	96 (23%)	29 (7%)	19 (5%)
10	Do you agree with Proposal 9 - disregarding the support related and work-related component income from the calculation? 414 responded to this	46 (11%)	174 (42%)	149 (36%)	22 (5%)	23 (6%)

11	Do you agree with Proposal 10 - providing a further £50 per week income disregard where the applicant, partner, or dependant is receiving a disability benefit? 414 responded to this	102 (25%)	168 (41%)	91 (22%)	29 (7%)	24 (6%)
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## Summary of Free text responses

Question 12 was a free text box for respondents to the survey to leave any other feedback or comments. The majority of respondents did not put anything on this section, with just 24 out of the 420 respondents adding comments.

Of the 348 completed postal surveys, 18 respondents added comments into the free text box, and of the 70 completed surveys on the online survey, six people added comments into the free text box.

There were a number of different comments, the most common one with six related comments were that people doing the survey found some of the language in the survey and draft Council Tax Support Scheme confusing – we appreciate that this was a complex scheme and on reflection some of the wording in the survey could have been simplified further. However, it was necessary to explain the ten proposals to enable people to respond to the questions on each one, so questions and background were considerably more complex than the majority of our surveys.

The second most common theme in the Freetext box was some comments around people who work having to pay to help people on benefits – there were five comments related to this issue. Examples include:

“This is another scheme supporting people with benefits - what about people that work?”

“As a single parent working part time this system has always been complicated but also penalises those of us trying to make ends meet without living off the state.”

“From what I can gather those on benefits are the ones set to gain more whereas they should be made to work.”

## Methodology

The consultation was launched on Tuesday 3 October with an online survey on the Council's Your Say Torbay website and this was promoted initially via a range of channels including a Members Briefing e-newsletter for all Councillors, press release to all local media and our wider PR distribution list which includes Community Partnerships, key partners such as the NHS and police and many more.

An email was also sent to a comprehensive list of key contacts in areas such as housing, voluntary and charitable sector, local businesses, and public sector with a request for them to share the survey on their channels.

Postal surveys were sent to 6,000 households, with 3,000 distributed to a random sample of people receiving Council Tax Support and a further 3,000 sent to a random sample of residents who are not currently receiving Council Tax Support.

Three information/outreach events were held to promote the Council Tax Support Survey and consultation at local libraries. Members of the Council Tax team held 'drop in' sessions at Torquay and Brixham Libraries to enable people to speak to them face to face. They also attended the Carers Rights Day event at Paignton Library and Community Hub. Paper copies of the surveys and postboxes were also left in Torquay, Brixham and Paignton Libraries for those who wanted to complete paper surveys. Paper copies were also available in the waiting area of Torquay Town Hall reception.

There was extensive publicity throughout the consultation with three press releases, 13 Facebook posts, six articles in One Torbay, our weekly residents e-newsletter, two articles in Staff News, nine posts on our NextDoor channel, ten posts on Twitter and on LinkedIn.

There were a total of 1235 unique visits to the Your Say Torbay webpage for the Council Tax Support Consultation.

Of these overall online visits, the most effective means of communication were the e-newsletters (One Torbay and Staff News) which between them generated 360 unique visits to the survey page. One Torbay has 11,229 subscribers on the most recent edition to feature Council Tax Support Scheme consultation, and across all the e-newsletters which featured the consultation there were 33,480 unique opens. The website generated 105 visits to the survey page and Facebook generated 46 visits. The total reach on Facebook across the 13 posts was 5429 and the posts were shared 13 times, with other Facebook pages sharing the consultation including Brixham Town Council and Torbay Community Development Trust.

Out of those who visited the online survey page, 289 viewed the Council Tax Support Scheme document and 98 downloaded it.

## Consultation responses

In total, taking into account online and paper surveys, there were 420 responses to the consultation.

Of these 420 surveys, 348 completed paper surveys came from the 6,000 that were sent out to households (so just over 5% of the sample), 70 came from the online survey, and, despite the fact three events were held at the libraries and paper copies were left there as well, only two completed paper surveys were returned as a result of that.

## Respondent demographics

Which of the following options best describes how you think of your gender identity? Tick one only

Female	Male	In another way	Prefer not to say
221	161	0	6

Which of the following age groups applies to you? Tick one only

0-15	16-24	25-34	35-44	45-54	55-64	65-74	75 plus
0	3	11	31	72	145	82	62

Which of the following best describes your ethnic background? Tick one only

White	Mixed ethnicity	Asian or Asian British	Black or British	Chinese	Other ethnic group
391	5	2	0	0	3

Employment Status - Tick one only

The breakdown of the 420 shows that the largest group of respondents to the survey (130) were retired – many of these would be from the random sample. Then the next largest group, 103, was temporary sick, then roughly a quarter (100) of respondents were in some sort of work, whether full time, part time or self-employed

Working full-time in Torbay	Working full-time elsewhere in Devon	Working part-time elsewhere in Devon	Self-employed – full - or part-time	Student	Looking after Family/Home
27	10	33	8	22	1
Temporary Sick	Long-Term Sick	Retired	Unemployed	Other	
1	103	130	25	25	

Question 17: Do you consider yourself to be disabled in any way? Tick one only

Yes	No
188	212

Question 18: If you answered "Yes", please tell us how it affects you. Tick as many as apply

It affects my mobility	It affects my vision	It affects my hearing	It affects me in another way
137	32	40	116

**TORBAY COUNCIL**

**Equality Impact Assessment**

Directorates: Finance and Community & Customer Services

Service Area: Revenue and Benefits

Name of policy being assessed: Proposed Council Tax Support Scheme

Draft Version: 29 September 2023

Final Version: 28 November 2023

Signed off by: Malcolm Coe – Director of Finance

Date Signed Off: 28 November 2023

## 1. Overview

Although the law does not require public service providers to assess the likely impact of policy decisions on particular groups, the courts still place significant weight on the existence of some form of documentary evidence of compliance with the **Public Sector Equality Duty** when determining judicial review cases. This method helps us to make our decisions fairly, taking into account any equality implications.

The Public Sector Equality Duty is part of the Equality Act 2010 and this Duty requires us as a public body to have “**due regard**” to eliminating discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act. It requires us to advance equality of opportunity and foster good relations between people who share a “**relevant protected characteristic**” and people who do not.

Having “due regard” means:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The protected characteristics are:

- age
- disability
- women or men
- race
- religion or belief
- sexual orientation
- gender reassignment
- marriage and civil partnership
- pregnancy and maternity

## 2. How is the decision relevant to the three aims of the Public Sector Equality Duty?

The proposals for the new Council Tax Support scheme have been assessed to ensure that due regard has been given to the Public Sector Equality Duty as enshrined in the Equality Act 2010.

We have identified households who are most likely to be affected by the introduction of the proposed scheme change and compared those to the make-up of our overall customer base to identify any equality groups that may be disproportionately affected.

## 3. Equality Impact Main Conclusion

For the majority currently receiving support (5,298 households), the proposals will have no impact on the current level of Council Tax Support awarded. Around 14% (944 households) will have an increase in support and just under 6% (370 households) will have a decrease.

As we are now moving from the worst of the pandemic, many households have since faced further financial pressures with high inflation rates. It is acknowledged that low-income households are disproportionately impacted by the increase in living costs and this, combined with relatively small changes in income, could affect people's ability to pay their Council Tax.

Those that are negatively impacted will initially be contacted individually, by letter, to advise them of the change in the level of support and what to do if they disagree with the decision. It will give them help and advice on how to apply for a Discretionary Reduction (exceptional hardship payments) and any other financial support available to them.

## Protected Characteristic: Age

### Pension Age

Number of Cases: 5,341  
Women: 3,109  
Men: 2,232

Pension Credit age claimants will continue to be protected from any change under the nationally prescribed scheme.

It is the Governments view that low-income pension age households would not be expected to work in order to increase their income and will be protected from any reduction in support.

In Torbay pensioners represent 26.7% of the population (Census 2021).

Pension age households represent just over 44.7% of the current Council Tax Support caseload and 55.4% of the total scheme expenditure.

### Working Age

Number of Cases: 6,612  
Women: 4,048  
Men: 2,564

All working age households will be affected by the proposed scheme changes.

Working age households that receive Council Tax Support can be split into three main income types - Passported, Universal Credit and Standard Means Test.

The table below shows the number of working age households, by income type currently receiving Council Tax Support.

Income Type	Number of Cases	Percentage
Passported Benefits	2,486	37.6%
Universal Credit	3,872	58.6%
Standard Means Test	254	3.8%

The table below shows the number of working age households, by property band and household type that currently receive Council Tax Support.

Property Band	Single	Couples	Lone Parent	Couples with Children	Total
A	2,333	156	447	89	3,025
B	880	202	833	240	2,155
C	394	98	426	138	1,056
D	96	26	113	48	283
E	31	10	19	20	80
F	8	1	4	0	13
G	0	0	0	0	0
H	0	0	0	0	0
<b>Total</b>	<b>3,742</b>	<b>493</b>	<b>1,842</b>	<b>535</b>	<b>6,612</b>

Around 57% of all working age households receiving Council Tax Support are single people, with 28% lone parents, 8% couples with children and just over 7% are couples with no children.

	<p>The highest proportion of households receiving Council Tax Support occupy band A is just over 45%, around 33% in band B and 16% in band C. Around 6% occupy bands D to F and none in bands G and H.</p> <p>77% of working age households occupying band A and receiving Council Tax Support are single people, with 15% lone parents, 5% couples with no children and 3% are couples with children.</p> <p>For band B the highest proportion are single people at around 41%, with around 39% lone parents, just over 11% couples with children and 9% are couples with no children.</p> <p>For band C, lone parents are the highest proportion at around 40%, with around 37% single people, 13% couples with children and 9% are couples with no children.</p> <p>It is a similar trend for band D, where 40% are lone parents, with around 34% single people, 17% couples with children, and 9% are couples with no children.</p> <p>For bands E to G, 42% are single, 25% are lone parents, 21% are couple with children, followed by couples with no children at 12%.</p>
	<p><b>Single People – No Children</b></p> <p>There are 3,742 single people receiving Council Tax Support, which represents 56.6% of all working age households.</p> <p>Women: 1,770 Men: 1,972 Disability: 2,667 Carers: 125</p>
	<p><b>Couples – No Children</b></p> <p>There are 493 couples with no children receiving Council Tax Support, which represents 7% of all working age households.</p> <p>Disability: 391 Carers: 128</p>

	<p><b>Lone Parents</b></p> <p>There are 1,842 lone parents receiving Council Tax Support, which represents 28% of all working age households.</p> <p>1,703 or 92.4% of lone parent households are women.</p> <p>Disability: 576  Disabled Child: 283  One Child: 861  Two Children: 611  Three Children: 276  Four Children: 87  Five Children or more: 19  Carers: 318</p>																												
	<p><b>Couples – With Children</b></p> <p>There are 535 couples with children receiving Council Tax Support, which represents 8% of all working age households.</p> <p>Disability: 307  Disabled Child: 105  One Child: 193  Two Children: 184  Three Children: 193  Four Children: 56  Five Children or more: 14  Carers: 185</p>																												
<p><b>Proposed Scheme Changes</b></p>	<p><b>Proposal One - Replacing the current working age means tested scheme with an income-based matrix scheme.</b></p> <p>Based on the proposed income bands and discount levels, working age households will receive a percentage reduction depending on the level of their net Income and the Household Type they fall into.</p> <p>The tables below illustrates the simplified banded scheme, based on <b>70%</b> of the Council Tax charge for the property (the proposed scheme has subsequently raised the cap to 75%)</p> <table border="1" data-bbox="448 1608 1412 2047"> <thead> <tr> <th>Level of Discount</th> <th>Single</th> <th>Couple</th> <th>Single 1 Child</th> </tr> </thead> <tbody> <tr> <td>70%</td> <td>In receipt of a passported benefit</td> <td>In receipt of a passported benefit</td> <td>In receipt of a passported benefit</td> </tr> <tr> <td>70%</td> <td>£0 to £95</td> <td>£0 to £140</td> <td>£0 to £165</td> </tr> <tr> <td>55%</td> <td>£95.01 to £125</td> <td>£140.01 to £180</td> <td>£165.01 to £205</td> </tr> <tr> <td>40%</td> <td>£125.01 to £155</td> <td>£180.01 to 220</td> <td>£205.01 to £245</td> </tr> <tr> <td>20%</td> <td>£155.01 to £185</td> <td>£220.01 to £260</td> <td>£245.01 to £285</td> </tr> <tr> <td>0%</td> <td>£185.01 or more</td> <td>£260.01 or more</td> <td>£285.01 or more</td> </tr> </tbody> </table>	Level of Discount	Single	Couple	Single 1 Child	70%	In receipt of a passported benefit	In receipt of a passported benefit	In receipt of a passported benefit	70%	£0 to £95	£0 to £140	£0 to £165	55%	£95.01 to £125	£140.01 to £180	£165.01 to £205	40%	£125.01 to £155	£180.01 to 220	£205.01 to £245	20%	£155.01 to £185	£220.01 to £260	£245.01 to £285	0%	£185.01 or more	£260.01 or more	£285.01 or more
Level of Discount	Single	Couple	Single 1 Child																										
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Level of Discount	Single 2+ Children	Couple 1 Child	Couple 2+ Children
70%	In receipt of a passported benefit	In receipt of a passported benefit	In receipt of a passported benefit
70%	£0 to £240	£0 to £215	£0 to £290
55%	£240.01 to £280	£215.01 to £255	£290.01 to £330
40%	280.01 to 320	£255.01 to £295	£330.01 to £370
20%	£320.01 to £360	£295.01 to £335	£370.01 to £410
0%	£360.01 or more	£335.01 or more	£410.01 or more

Households that receive a passported benefit (income related Employment and Support Allowance, Income Support and income based Job Seekers Allowance) will continue to receive support. .

This proposal might have a negative impact on 370 working age households, which is 6% of all working age households.

The table below shows the number of cases, by household type that might have a decrease in the level of support.

Household Type	Number of Decreases
Single Person	78
Couple	26
Lone Parent - One Child	38
Couple - One Child	13
Lone Parent - Two Children or More	150
Couple - Two Children or More	65
<b>Total</b>	<b>370</b>

The table below shows the average weekly decrease in support, by household type.

Household Type	Weekly Decreases
Single Person	£4.43
Couple	£6.76
Lone Parent - One Child	£4.23
Couple - One Child	£2.03
Lone Parent - Two Children or More	£6.24
Couple - Two Children or More	£8.90
<b>Total</b>	<b>£6.01</b>

This proposal will have a positive impact on 944 working age households, which is 14% of all working age households.

The table below shows the number of cases, by household type that will have an increase in the level of support.

<b>Household Type</b>	<b>Number of Increases</b>
Single Person	330
Couple	70
Lone Parent - One Child	199
Couple - One Child	47
Lone Parent - Two Children or More	211
Couple - Two Children or More	87
<b>Total</b>	<b>944</b>

The table below shows the average weekly increase in support, by household type.

<b>Household Type</b>	<b>Weekly Increases</b>
Single Person	£4.98
Couple	£4.83
Lone Parent - One Child	£6.39
Couple - One Child	£6.33
Lone Parent - Two Children or More	£7.30
Couple - Two Children or More	£6.56
<b>Total</b>	<b>£6.00</b>

This proposal will have no impact on 5,298 households, which is 80% of all working age households.

The table below shows the number of households that remain unchanged.

<b>Household Type</b>	<b>Unchanged</b>
Single Person	3,334
Couple	397
Lone Parent - One Child	611
Couple - One Child	132
Lone Parent - Two Children or More	633
Couple - Two Children or More	191
<b>Total</b>	<b>5,298</b>

There are currently 66 households where the net income is too high to qualify for the respective household type.

The highest proportion affected would be couples with children at 36% (24), lone parents at 29% (19), with single people 18% (12) and couples with no children 17% (11).

**Proposal Two - Removing the restriction to the equivalent of Council Tax property band D for households that occupy a property in bands E to H.**

The restriction to a property band D was introduced from April 2018 and currently affects 94 households. By removing this restriction it will have a positive impact on all household types that occupy a property in bands E to H.

The table below shows the number of cases, by household type and property band that will have an increase in the level of support.

Household Type	Band E	Band F	Total
Single	33	8	41
Couples	10	1	11
Lone Parent and One Child	9	3	12
Couples and One Child	6	0	6
Lone Parent with Two or More Children	9	1	10
Couples with Two or More Children	14	0	14
<b>Total</b>	<b>81</b>	<b>13</b>	<b>94</b>

There are no working age households that occupy property bands G and H.

**Proposal Three - Removing the requirement for non-dependant deductions.**

The current scheme will apply a non-dependant deduction where there is another adult, such as a family member or friend, that's over 18 living at the address.

The amount deducted depends on the personal and financial circumstances of the non-dependant(s) and ranges from £4.60 to £14.15 per week.

By removing this requirement it will have a positive impact on all household types that currently have a non-dependant deduction.

The table below shows the number of cases, by household type that will have an increase in the level of support.

Household Type	Number of Cases
Single Person	106
Couple	18
Lone Parent - One Child	37
Couple - One Child	7
Lone Parent - Two Children or More	40
Couple - Two Children or More	17
<b>Total</b>	<b>226</b>

The table below shows the average weekly increase in support, by household type.

Household Type	Weekly Increase
Single Person	£8.42
Couple	£8.64
Lone Parent - One Child	£9.51
Couple - One Child	£7.94
Lone Parent - Two Children or More	£8.80
Couple - Two Children or More	£8.64
<b>Total</b>	<b>£8.96</b>

Around 3% of all working age households receiving Council Tax Support currently have a deduction for non-dependants living at the address.

The highest proportion of households that will have an increase in support are single people at around 47%, followed by lone parents at 34%, couples with children at 11% and couples with no children at 8%.

#### **Proposal Four - Lowering the number of hours used for calculating the minimum income floor for self-employed lone parents, from 35 to 25 hours**

In the current scheme, if the applicant and/or partner is self-employed, after twelve months trading a minimum level of income (minimum income floor) is calculated and applied if the actual income is below the national minimum hourly wage.

The calculation is based on a standard 35 hour working week, multiplied by the hourly national minimum wage for the appropriate age group.

The appropriate level of tax and national insurance is then taken from the calculated amount.

This proposal will have a positive impact on lone parents who are or are considering self-employment.

The minimum income floor was introduced in the current scheme from April 2017, to align with Universal Credit. At the time, 144 self-employed lone parents received Council Tax Support. Based on current data, there is one lone parent that's self-employed and receiving support.

**Proposal Five - Keeping the number of hours used for calculating the minimum income floor for single people, couples and couples with children at 35 hours.**

In the current scheme, if the applicant and/or partner is self-employed, after twelve months trading a minimum level of income (minimum income floor) is calculated and applied if the actual income is below the national minimum hourly wage.

The calculation is based on a standard 35 hour working week, multiplied by the hourly national minimum wage for the appropriate age group.

The appropriate level of tax and national insurance is then taken from the calculated amount.

For single people, couples and couples with children the standard working week is 35 hours.

The minimum income floor was introduced in the current scheme from April 2017, to align with Universal Credit. At the time there were, 113 single people, 35 couples and 158 couples with children in self-employment and receiving Council Tax Support. Based on current data, there are two households, a lone parent and a couple with children that's self-employed and receiving support.

**Proposal Six - Removing the extended payment provision.**

In the current scheme, where the applicant/partner have been in receipt of certain benefits (such Employment and Support Allowance, Job Seekers Allowance and Income Support) and move into work which ends their entitlement, Council Tax Support can be paid for an additional four weeks after starting work or increasing their hours. Similar provisions do not exist for households that receive Universal Credit.

To align to Universal Credit, this proposal will remove the extended payment period and award discount based on the income received from the date that employment started, or hours increased.

Based on current data three households have that have had the extended payment provision applied.

**Proposal Seven - Removing the Additional Earnings Disregard.**

Currently, if the applicant or partner is aged 25 or over and works more than 16 hours with children, or 30 hours or more and do not have children, they will qualify for an additional earnings disregard and £17.10 is discounted from the income.

Removing the Additional Earnings Disregard will have a negative impact on households that are less than £17.10 of the lower end of an income band.

The net income calculation for households that receive Universal Credit is not affected by this proposal.

The table below shows the number of cases, by household type, that will have a decrease in the level of support.

Household Type	Number of Cases
Single Person	12
Couple	8
Lone Parent - One Child	8
Couple - One Child	7
Lone Parent - Two Children or More	8
Couple - Two Children or More	23
<b>Total</b>	<b>66</b>

**Proposal Eight - Providing a new income disregard for Carer's Allowance.**

In the current scheme, when a Carer's Allowance is received for looking after another person who is of either ill health or disabled, they qualify for a premium that partially offsets that income from the calculation of the award.

The banded scheme does not include the Carer's Premium, that partially offsets this payment.

This proposal will fully disregard Carer's Allowance and provide the additional support needed for those households.

The net income calculation for households that receive Universal Credit is not affected by this proposal.

Based on current data there are 753 households (households that receive Universal Credit and the Standard Means Test), which is 11% of all working age households receiving a Carer's Allowance.

**Proposal Nine - Providing new income disregards for the support related and work-related activity components for Employment and Support Allowance.**

In the current scheme, when a support related or work-related activity component is received in addition to the basic allowance, they qualify for a premium that fully offsets that income from the calculation of the award.

The banded scheme does not include the support related and work-related activity component premiums, that fully offsets these payments.

This proposal will fully disregard both components and provide the additional support needed for those households.

Based on current data there are 91 households or just over 1% of all working age households that receive the support related or work-related activity component (This does not include households that receive a passported benefit or Universal Credit).

**Proposal Ten - Providing a further disregard of £50 per week where the applicant, partner or dependant is in receipt of a disability benefit.**

In the current scheme, when certain disability benefits are received by the applicant, partner or dependant they qualify for one of a number of different disability premiums that either fully or partially offsets their income in the calculation of the award. These premiums will no longer be available in the income banded scheme.

To protect the most vulnerable the new scheme will continue to disregard Personal Independence Payments and Disability Living Allowance's.

In addition to this, a further income disregard of £50 per week will be applied where the applicant, partner or dependant is in receipt of as disability benefit.

Based on current data there are 108 households or around 2% of all working age households receive a Disability or Severe Disability Premium (This does not include households that receive a passported benefit or Universal Credit).

## Protected Characteristic: Caring Responsibilities

Number of Cases:753  
Split into three Income Types

Employment & Support  
Allowance (passported) N/A

Universal Credit 709

Standard 44

The Council is required to consider the needs of households with caring responsibilities within its proposed scheme. It is recognised that households with caring responsibilities can affect people's ability to pursue paid work.

Financially, carers may face difficulties and their income may be affected by their caring role.

In the current means tested scheme households that receive a Carer's Allowance is taken into account and offset through either a premium or an adjustment in the calculation.

The banded scheme does not include premiums, which is an additional component that partially or fully offsets income, such as Carer's Allowance.

To mitigate the impact of the proposed scheme changes residents from any group can apply for additional financial support through the council's Discretionary Reductions (Exceptional Hardship) scheme.

### Single People – No Children

There are 125 single people with caring responsibilities receiving Council Tax Support, which represents 2% of all working age households.

52 or 7% of households with caring responsibilities are single men with no children.

### Couples – No Children

There are 128 couples with caring responsibilities and no children receiving Council Tax Support, which represents 2% of all working age households.

### Lone Parents

There are 318 lone parents with caring responsibilities receiving Council Tax Support, which represents 5% of all working age households.

296 or 39% of households with caring responsibilities are lone parent women.

### Couples – With Children

There are 307 couples with children and caring responsibilities receiving Council Tax Support, which represents 5% of all working age households.

**Proposed Scheme Changes**

**Proposal One - Replacing the current working age means tested scheme with an income-based matrix scheme.**

This proposal will affect all working age households with caring responsibilities.

The table below shows the number of cases, by household type that have caring responsibilities.

<b>Household Type</b>	<b>Number of Cases</b>
Single Person	125
Couple	128
Lone Parent - One Child	112
Couple - One Child	55
Lone Parent - Two Children or More	206
Couple - Two Children or More	127
<b>Total</b>	<b>753</b>

**Proposal Two - Removing the restriction to the equivalent of Council Tax property band D for households that occupy a property in bands E to H.**

This proposal will affect all working age households with caring responsibilities.

By removing this restriction it will have a positive impact on all household types that occupy a property in bands E to H.

The table below shows the number of cases, by household type and property band that will have an increase in the level of support.

<b>Household Type</b>	<b>Band E</b>	<b>Band F</b>	<b>Total</b>
Single	2	0	2
Couples	2	0	2
Lone Parent and One Child	3	1	4
Couples and One Child	1	0	1
Lone Parent with Two or More Children	4	0	4
Couples with Two or More Children	1	0	1
<b>Total</b>	<b>13</b>	<b>1</b>	<b>14</b>

There are no working age households that occupy property bands G and H.

**Proposal Three - Removing the requirement for non-dependant deductions.**

This proposal will affect all working age households with caring responsibilities.

Based on current data 46 households with caring responsibilities have a deduction for a non-dependant living at the address.

By removing this requirement it will have a positive impact on all household types that currently have a non-dependant deduction.

**Proposal Four - Lowering the number of hours used for calculating the minimum income floor for self-employed lone parents, from 35 to 25 hours**

The minimum income floor was introduced in the current scheme from April 2017, to align with Universal Credit. At the time, there were 39 households in self-employment, with caring responsibilities and receiving support. There are currently no households with caring responsibilities that are in self-employment and receiving support.

This proposal will have a positive impact on lone parents who are or are considering self-employment.

**Proposal Five - Keeping the number of hours used for calculating the minimum income floor for single people, couples and couples with children at 35 hours.**

The minimum income floor was introduced in the current scheme from April 2017, to align with Universal Credit. At the time there were, 113 single people, 35 couples and 158 couples with children in self-employment and receiving Council Tax Support. Based on current data, there are no households with caring responsibilities that are in self-employment and receiving support.

**Proposal Six - Removing the extended payment provision.**

There are currently no households with caring responsibilities that have had the extended payment provision applied.

**Proposal Seven - Removing the Additional Earnings Disregard.**

Based on current data there are eight households that are employed and receive the Additional Earnings Disregard.

This does not include households that receive a passported benefit or Universal Credit.

**Proposal Eight - Providing a new income disregard for Carer's Allowance.**

This proposal fully disregards Carer's Allowance and provides the additional support needed for those households.

The net income calculation for households that receive Universal Credit is not affected by this proposal.

The table below shows the number of cases, by household type that receive a Carer's Allowance (this includes households that receive Universal Credit).

Household Type	Number of Cases
Single Person	125
Couple	128
Lone Parent - One Child	112
Couple - One Child	55
Lone Parent - Two Children or More	206
Couple - Two Children or More	127
<b>Total</b>	<b>753</b>

**Proposal Nine - Providing new income disregards for the support related and work-related activity components for Employment and Support Allowance.**

Based on current data there are 17 households with caring responsibilities receiving a support related or work-related activity component (This does not include households that receive a passported benefit or Universal Credit).

This proposal will fully disregard both components and provide the additional support needed for those households.

**Proposal Ten - Providing a further disregard of £50 per week where the applicant, partner or dependant is in receipt of a disability benefit.**

Based on current data there are 17 households with caring responsibilities that receive a Disability or Severe Disability Premium (This does not include households that receive a passported benefit or Universal Credit).

## Protected Characteristic: Disability

Number of Cases:3,941  
Split into three Income Types

Employment & Support  
Allowance (passported) 2,486

Universal Credit 1,347

Standard 108

The Council is required to consider the needs of disabled people within its proposed scheme. Under Government guidance, disabled people will face greater challenges to join the working population.

In all cases the assessment and qualification of the disabled person for the qualifying benefit is completed by the DWP, not the Council.

Relevant disability benefits will continue to be disregarded in the calculation of Council Tax Support, thereby protecting those with specific long-term conditions who fall within this group.

The banded scheme does not include premiums, which is an additional component that partially or fully offsets income, such as certain disability benefits.

To mitigate the impact of the proposed scheme changes residents from any group can apply for additional financial support through the council's Discretionary Reductions (Exceptional Hardship) scheme.

### Single People – No Children

There are 2,667 single people with a disability receiving Council Tax Support, which represents 40% of all working age households.

1,378 or 21% of all working age households that have a disability are single men with no children.

### Couples – No Children

There are 391 couples with no children and with a disability receiving Council Tax Support, which represents 6% of all working age households.

### Lone Parents

There are 576 lone parents with a disability receiving Council Tax Support, which represents 9% of all working age households.

525 or 8% of all working age households that have a disability are lone parent women.

### Couples – With Children

There are 307 couples with children and with a disability receiving Council Tax Support, which represents 5% of all working age households.

**Proposed Scheme Changes**

**Proposal One - Replacing the current working age means tested scheme with an income-based matrix scheme.**

This proposal will affect all working age households with a disability.

The table below shows the number of cases, by household type that receive a disability payment.

<b>Household Type</b>	<b>Number of Cases</b>
Single Person	2,667
Couple	391
Lone Parent - One Child	302
Couple - One Child	123
Lone Parent - Two Children or More	274
Couple - Two Children or More	184
<b>Total</b>	<b>3,941</b>

The table below shows the number of cases, by household type that have a disabled child.

<b>Household Type</b>	<b>Number of Cases</b>
Single Person	0
Couple	0
Lone Parent - One Child	94
Couple - One Child	22
Lone Parent - Two Children or More	189
Couple - Two Children or More	83
<b>Total</b>	<b>388</b>

**Proposal Two - Removing the restriction to the equivalent of Council Tax property band D for households that occupy a property in bands E to H.**

This proposal will affect all working age households with a disability.

By removing this restriction it will have a positive impact on all household types that occupy a property in bands E to H.

The table below shows the number of cases, by household type and property band that will have an increase in the level of support.

Household Type	Band E	Band F	Total
Single	8	1	9
Couples	1	1	2
Lone Parent and One Child	5	0	5
Couples and One Child	2	0	2
Lone Parent with Two or More Children	0	0	0
Couples with Two or More Children	4	0	4
<b>Total</b>	<b>20</b>	<b>2</b>	<b>22</b>

There are no working age households that occupy property bands G and H.

**Proposal Three - Removing the requirement for non-dependant deductions.**

This proposal will affect all working age households with a disability.

Based on current data 92 households with a disability have a deduction for a non-dependant living at the address.

By removing this requirement it will have a positive impact on all household types that currently have a non-dependant deduction.

**Proposal Four - Lowering the number of hours used for calculating the minimum income floor for self-employed lone parents, from 35 to 25 hours**

The minimum income floor was introduced in the current scheme from April 2017, to align with Universal Credit. At the time, there were 56 households with a disability and 5 households with a disabled child, in self-employment and receiving support. There are currently no households with a disability or have a disabled child, in self-employment.

This proposal will have a positive impact on lone parents who are or are considering self-employment.

**Proposal Five - Keeping the number of hours used for calculating the minimum income floor for single people, couples and couples with children at 35 hours.**

The minimum income floor was introduced in the current scheme from April 2017, to align with Universal Credit. At the time there were, 113 single people, 35 couples and 158 couples with children in self-employment and receiving Council Tax Support. Based on

current data, there are no households with a disability or have a disabled child, in self-employment and receiving support.

**Proposal Six - Removing the extended payment provision.**

There is currently one household, with a disability or have a disabled child, that have had the extended payment provision applied.

**Proposal Seven - Removing the Additional Earnings Disregard.**

Based on current data there are six households that are employed and receive the Additional Earnings Disregard.

This does not include households that receive a passported benefit or Universal Credit.

**Proposal Eight - Providing a new income disregard for Carer's Allowance.**

This proposal fully disregards Carer's Allowance and provides the additional support needed for those households.

The net income calculation for households that receive Universal Credit is not affected by this proposal.

The table below shows the number of cases, by household type that have a disability and receive a Carer's Allowance.

<b>Household Type</b>	<b>Number of Cases</b>
Single Person	7
Couple	12
Lone Parent - One Child	2
Couple - One Child	3
Lone Parent - Two Children or More	4
Couple - Two Children or More	16
<b>Total</b>	<b>44</b>

**Proposal Nine - Providing new income disregards for the support related and work-related activity components for Employment and Support Allowance.**

Based on current data there are 90 households with a disability receiving a support related or work-related activity component (This does not include households that receive a passported benefit or Universal Credit).

This proposal will fully disregard both components and provide the additional support needed for those households.

**Proposal Ten - Providing a further disregard of £50 per week where the applicant, partner or dependant is in receipt of a disability benefit.**

In the current scheme, when certain disability benefits are received by the applicant, partner or dependant they qualify for one of a number of different disability premiums that either fully or partially offsets their income in the calculation of the award.

These premiums will no longer be available in the income banded scheme.

To protect the most vulnerable the new scheme will continue to disregard Personal Independence Payments and Disability Living Allowance's.

In addition to this, a further income disregard of £50 per week will be applied where the applicant, partner or dependant is in receipt of as disability benefit.

Based on current data there are 108 households or around 2% of all working age households that receive a Disability or Severe Disability Premium (This does not include households that receive a passported benefit or Universal Credit).

<b>Protected Characteristic: Women or Men</b>	
Number of Cases: 6,612 Women: 4,048 Men: 2,564	<p>The Council Tax Support scheme will not treat people of different genders any differently.</p> <p>Based on current data there is a higher percentage of working age women claiming Council Tax Support 4,048 (61%) when compared to their representation in the Torbay population 71,493 (51.31%).</p> <p>Furthermore, 1,703 (92.4%) of working age lone parents are women compared to 139 men (7.6%).</p> <p>Due to the higher proportion of women receiving Council Tax Support the proposed scheme changes will have a greater impact on women.</p> <p>To mitigate the impact for anyone negatively affected by the proposed changes will be encouraged to seek employment to maximise their income wherever possible. Advice and support is available through the DWP's Job Centre Plus.</p> <p>For households that are unable work due to ill health, disability or with caring responsibilities additional financial support will be available through the Discretionary Reductions (Exceptional Hardship) scheme.</p>
	<p><b>Single People – No Children</b></p>
	<p>There are 1,770 single women receiving Council Tax Support, which represents 27% of all working age households.</p> <p>1,972 single men receive Council Tax Support, which represents 30% of all working age households.</p>
	<p><b>Couples – No Children</b></p>
	<p>There are 493 couples with no children receiving Council Tax Support, which represents 7% of all working age households.</p>
<p><b>Lone Parents</b></p>	
<p>There are 1,842 lone parents receiving Council Tax Support and the majority (1,703) are women, which represents 26% of all working age households.</p> <p>139 lone parents are men, which represents 2% of all working age households.</p>	
<p><b>Couples – With Children</b></p>	
<p>There are 535 couples with children receiving Council Tax Support, which represents 8% of all working age households.</p>	

**Proposed Scheme Changes**

**Proposal One - Replacing the current working age means tested scheme with an income-based matrix scheme.**

This proposal will affect all working age women and men households (6,612). Like the current scheme, this shares the burden amongst all working age households that receive financial help with their Council Tax.

**Proposal Two - Removing the restriction to the equivalent of Council Tax property band D for households that occupy a property in bands E to H.**

This proposal will affect 24 single women, 15 single men, 21 lone parent women, 2 lone parent men and 31 couples (with and without children).

**Proposal Three - Removing the requirement for non-dependant deductions.**

This proposal affects all working age households that currently have a non-dependant deduction applied, regardless of gender. However, as there are higher numbers of single and lone parent women receiving Council Tax Support this proposal could affect more women than men.

**Proposal Four - Lowering the number of hours used for calculating the minimum income floor for self-employed lone parents, from 35 to 25 hours**

Based on current data there is one household affected by this proposal.

This proposal will have a positive impact on lone parents who are or are considering self-employment.

As the number of lone parent women are higher than men this proposal will affect more women than men.

**Proposal Five - Keeping the number of hours used for calculating the minimum income floor for single people, couples and couples with children at 35 hours.**

The minimum income floor was introduced in the current scheme from April 2017, to align with Universal Credit. At the time there were, 113 single people, 35 couples and 158 couples with children in self-employment and receiving Council Tax Support. Based on current data, there are two households in self-employment and receiving support.

**Proposal Six - Removing the extended payment provision.**

This proposal notionally affects all working age households regardless of gender. However, as the number of single and lone parent women are higher than men this proposal could affect more women than men.

**Proposal Seven - Removing the Additional Earnings Disregard.**

This proposal affects all working age households that currently receive an additional earnings disregard, regardless of gender. However, as there are higher numbers of single and lone parent women receiving Council Tax Support this proposal could affect more women than men.

**Proposal Eight - Providing a new income disregard for Carer's Allowance.**

This proposal will affect 4 single women, 3 single men, 6 lone parent women and 31 couples (with and without children).

**Proposal Nine - Providing new income disregards for the support related and work-related activity components for Employment and Support Allowance.**

This proposal will affect all working age households that receive the support related and work-related activity components, regardless of gender. It applies to people that have a disability or health condition that limits their ability to work and assistance is provided to improve this.

As the number of single and lone parent women are higher than men this proposal could affect more women than men.

**Proposal Ten - Providing a further disregard of £50 per week where the applicant, partner or dependant is in receipt of a disability benefit.**

This proposal will affect households that receive the Disability or Severe Disability Premium, regardless of gender. It applies to people that have a disability or health condition that limits their ability to work and assistance is provided to improve this.

As the number of single and lone parent women are higher than men this proposal could affect more women than men.

**Protected Characteristic: Pregnancy and Maternity**

Women who are pregnant/on maternity leave

Existing data on applicants receiving Council Tax Support does not give any clarification on pregnant women, those on maternity leave or having given birth within the last 26 weeks.

The only information which is held relates to income from statutory maternity pay that is in payment at the point an application is made as this forms part of the income assessment for the means tested Council Tax Support.

People who are in advanced stages of pregnancy or receiving maternity allowance are affected for a temporary period because they will have a finite income and will be unable to increase this by working.

The proposal for an income banded scheme will affect households that already have more than two children and is expecting a further child before it's introduced.

To mitigate the impact of the proposed scheme changes residents from any group can apply for additional financial assistance through the council's Discretionary Reductions (Exceptional Hardship) scheme.

**Protected Characteristic: Race**

People who are black or from a minority ethnic background (BME) *(Please note Gypsies / Roma are within this community)*

**Negative Impact & Mitigating Actions**

To mitigate the impact of the proposed scheme changes residents from any group can apply for additional financial assistance through the council's Discretionary Reductions (Exceptional Hardship) scheme.

**Neutral Impact**

The eligibility criteria is neutral in relation to race, as it does not expressly include, exclude or otherwise identify any particular group.

All awards are therefore neutral in that they are available equally to all applicants irrespective of race.

<b>Protected Characteristic: Religion or Belief (including lack of belief)</b>		
	<b>Negative Impact &amp; Mitigating Actions</b>	<b>Neutral Impact</b>
	To mitigate the impact of the proposed scheme changes residents from any group can apply for additional financial assistance through the council's Discretionary Reductions (Exceptional Hardship) scheme.	<p>Existing data on applicants receiving Council Tax Support does not give any clarification on any religion or belief.</p> <p>The eligibility criteria is neutral in relation to religion or belief, as it does not expressly include, exclude or otherwise identify any particular group.</p> <p>All awards are therefore neutral in that they are available equally to all applicants irrespective of religion or belief.</p>

<b>Protected Characteristic: Sexual Orientation</b>		
	<b>Negative Impact &amp; Mitigating Actions</b>	<b>Neutral Impact</b>
People who are lesbian, gay or bisexual	To mitigate the impact of the proposed scheme changes residents from any group can apply for additional financial assistance through the council's Discretionary Reductions (Exceptional Hardship) scheme.	<p>Existing data on applicants receiving Council Tax Support does not give any clarification on sexual orientation.</p> <p>The eligibility criteria is neutral in relation to sexual orientation, as it does not expressly include, exclude or otherwise identify any particular group.</p> <p>All awards are therefore neutral in that they are available equally to all applicants irrespective of sexual orientation.</p>

<b>Protected Characteristic: Gender Reassignment</b>		
<b>People who are transgendered</b>	<b>Negative Impact &amp; Mitigating Actions</b>	<b>Neutral Impact</b>
	To mitigate the impact of the proposed scheme changes residents from any group can apply for additional financial assistance through the council's Discretionary Reductions (Exceptional Hardship) scheme.	<p>Existing data on applicants receiving Council Tax Support does not give any clarification on gender reassignment.</p> <p>The eligibility criteria is neutral in relation to gender reassignment, as it does not expressly include, exclude or otherwise identify any particular group.</p> <p>All awards are therefore neutral in that they are available equally to all applicants irrespective of gender reassignment.</p>

<b>Protected Characteristic: Marriage and Civil Partnership</b>		
<b>People who are in a marriage or civil partnership</b>	<b>Negative Impact &amp; Mitigating Actions</b>	<b>Neutral Impact</b>
	To mitigate the impact of the proposed scheme changes residents from any group can apply for additional financial assistance through the council's Discretionary Reductions (Exceptional Hardship) scheme.	<p>Existing data on applicants receiving Council Tax Support does not give any clarification on marriage or civil partnership.</p> <p>The eligibility criteria is neutral in relation to marriage and civil partnership, as it does not expressly include, exclude or otherwise identify any particular group.</p> <p>All awards are therefore neutral in that they are available equally to all applicants irrespective of marriage or civil partnership.</p>

<p>Socio-economic impacts (Including impact on child poverty issues and deprivation)</p>	<p>The proposed changes will affect around 6,612 working age households, who are already liable to pay at least 30% of their Council Tax following the scheme changes that were introduced from 2017/18 and 2018/19.</p> <p>For the households that currently have:</p> <ul style="list-style-type: none"> <li>• the level of support is restricted to the equivalent of Council Tax property band D for households that occupy a property in bands E to H, and/or</li> <li>• a non-dependant deduction(s) is applied, where there is another adult, such as a family member or friend, that's over 18 living at the address:</li> </ul> <p>the proposals will effectively increase the amount of Council Tax Support awarded.</p> <p>However, there will be some households that will have a decrease in the level of support, particularly families with more than three children.</p> <p>To mitigate the impact for those adversely affected by the proposed changes an easement in the Discretionary Reductions (Exceptional Hardship) policy will be recommended and by increasing the fund accordingly.</p>
<p>Public Health impacts (How will your proposal impact on the general health of the population of Torbay)</p>	<p>There are links between unemployment and poorer mental health, such as stigma, isolation, loss of self-worth and the material consequences of a reduced income.</p> <p>Unemployed individuals, particularly the long-term unemployed, have a higher risk of poor mental health compared with those in employment.</p>
<p>Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)</p>	<p>The current scheme is well established. Any changes to the scheme will initially result in more enquiries.</p> <p>The following departments may be affected:</p> <ul style="list-style-type: none"> <li>• Customer Services and the Benefits Service <ul style="list-style-type: none"> <li>- Increase in volume of customer enquiries</li> <li>- Dealing with more customers with financial difficulties</li> <li>- Increase in Discretionary Reductions (Exceptional Hardship) applications</li> </ul> </li> <li>• Housing Services <ul style="list-style-type: none"> <li>- Combined effect of the new scheme with the rapid increase in rental costs and the current</li> </ul> </li> </ul>

	<p>LHA rate freeze that was reintroduced from 2020.</p> <ul style="list-style-type: none"> <li>• Finance <ul style="list-style-type: none"> <li>- Improved efficiencies for Council Tax billing and collection administration</li> </ul> </li> </ul>
<p><b>Cumulative Impacts – Other public services</b> (proposed changes elsewhere which might worsen the impacts identified above)</p>	<p>This change will result in an additional cost for Torbay Council and will affect the Major Precepting Authorities, Fire and Police, by altering their taxbase.</p>

**TORBAY COUNCIL**

**Council Tax Support  
Income Banded Scheme  
Case Studies from April 2024**

## Introduction

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The purpose of this report is to illustrate the financial impact the new income banded scheme will have on working age households. It provides five examples for each household type, based on real life examples of the current Council Tax Support caseload.

The examples used in this report have been taken from the Draft scheme and the household income uprated as appropriate:

Working age benefits: 6.7%

Earnings: 9.8% in line with the increase in the National Living Wage

The table below shows the income bands, by household type for the new scheme that will take effect from April 2024.

Level of Discount	Single	Couple	Single & 1 Child	Single & 2+ Children	Couple & 1 Child	Couple & 2+ Children
75%	In receipt of a passported benefit					
75%	£0 to £102.00	£0 to £149.00	£0 to £176.00	£0 to 256.00	£0 to £230.00	£0 to £310.00
55%	£102.01 to £132.00	£149.01 to £189.00	£176.01 to £216.00	£256.01 to 296.00	£230.01 to £270.00	£310.01 to £350.00
40%	£132.01 to £162.00	£189.01 to £229.00	£216.01 to £256.00	£296.01 to £336.00	£270.01 to £310.00	£350.01 to £390.00
20%	£162.01 to £192.00	£229.01 to £269.00	£256.01 to £296	£336.01 to £376.00	£310.01 to £350.00	£390.01 to £430.00
0%	£192.01+	269.01+	£296.01+	£376.01+	£350.01+	£430.01+

## Single People

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A single person living alone, aged 61.  
Employed with net earnings of £141.26 per week.  
Property Band A, with an annual liability of £1,066.37

Current Scheme - yearly entitlement £340.38

They currently have to pay Council Tax at £13.89 per week.

Based on the new income banded scheme they would pay £12.27 per week

Level of Discount	Single
75%	In receipt of a passported benefit
75%	£0 to £102.00
55%	£102.01 to £132.00
40%	£132.01 to £162.00
20%	£162.01 to £192.00
0%	£192.01+

£141.26 less standard earned income disregard (£5) = £136.26

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A single person living alone, aged 65.  
Employed and receives Universal Credit, with housing element, receiving £264.34 per week.  
Property Band A, with an annual liability of £1,066.37

Current Scheme – yearly entitlement £131.76

They currently have to pay Council Tax at £17.86 per week.

Based on the new income banded scheme they would pay £12.37 per week.

Level of Discount	Single
75%	In receipt of a passported benefit
75%	£0 to £102.00
55%	£102.01 to £132.00
40%	£132.01 to £162.00
20%	£162.01 to £192.00
0%	£192.01+

Housing Element disregarded (£110.80)  
Net Universal Credit, excluding Housing Element = £153.54

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A single person living alone, aged 43.  
Receives Employment and Support Allowance (Income Related).  
Property Band B, with an annual liability of £1,244.10

Current Scheme - yearly entitlement £870.87

They currently have to pay Council Tax at £7.14 per week.

Based on the new income banded scheme they would pay £5.94 per week as the maximum level of discount has increased to 75%.

<b>Level of Discount</b>	<b>Single</b>
75%	In receipt of a passported benefit
75%	£0 to £102.00
55%	£102.01 to £132.00
40%	£132.01 to £162.00
20%	£162.01 to £192.00
0%	£192.01+

Employment and Support Allowance (Income Related) is a “passported” income.

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A single person living alone, aged 63.  
Receives Universal Credit and Personal Independence Payments (Daily Living), receiving £163.45 per week.

Property Band E with an annual liability of £1,955.01

As the “Band D Restriction” applies the annual liability of £1,599.55 is used to calculate entitlement.

Current Scheme - yearly entitlement £835.52

They currently have to pay Council Tax at £21.41 per week.

Based on the new income banded scheme they would pay £9.35 per week, as entitlement would be calculated using the Band E charge and the maximum level of discount has increased to 75%.

<b>Level of Discount</b>	<b>Single</b>
75%	In receipt of a passported benefit
75%	£0 to £102.00
55%	£102.01 to £132.00
40%	£132.01 to £162.00
20%	£162.01 to £192.00
0%	£192.01+

Personal Independence Payments disregarded (£72.66).

Net Universal Credit = £90.79

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A single person living alone, aged 58 with a grown up son (non-dependant) who has no income.  
Receives Income Support.

Property Band B, with an annual liability of £1,658.80

As the son is over 18 a non-dependant deduction of £4.60 per week is applied.

Current Scheme - yearly entitlement £920.65

They currently have to pay Council Tax at £14.12 per week.

Based on the new income banded scheme they would pay £7.95 per week, as the non-dependant deduction will not be applied and the maximum level of discount has increased to 75%.

<b>Level of Discount</b>	<b>Single</b>
75%	In receipt of a passported benefit
75%	£0 to £102.00
55%	£102.01 to £132.00
40%	£132.01 to £162.00
20%	£162.01 to £192.00
0%	£192.01+

Income Support is a “passported” income.

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## Couples

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A couple with no children.

Self-employed, receiving Universal Credit, with Housing Element, Carer and Limited Work Capability, with Personal Independence Payments (Daily Living and Enhanced Mobility) at £543.55 per week. Property Band C, with an annual liability of £1,895.78

Current Scheme – yearly entitlement £1,327.01

They currently have to pay Council Tax at £10.88 per week.

Based on the new income banded scheme they would pay £9.09 per week as the maximum level of discount has increased to 75%.

Level of Discount	Couple
75%	In receipt of a passported benefit
75%	£0 to £149.00
55%	£149.01 to £189.00
40%	£189.01 to £229.00
20%	£229.01 to £269.00
0%	269.01+

Personal Independence Payments disregarded (£148.42)

Housing Element disregarded (£110.80)

Carer Element disregarded (£45.76)

Limited Work Capability disregarded (£96.04)

Net Universal Credit = £142.53

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A working/pension age couple with no children (working age scheme applies).

Receives Universal Credit, with Housing Element and Limited Work Capability, with Personal Independence Payments (Standard Daily Living, Daily Living Enhanced and Mobility) at £568.59 per week.

Property Band A, with an annual liability of £1,421.83

Current Scheme – yearly entitlement £598.15

They currently have to pay Council Tax at £15.75 per week.

Based on the new income banded scheme they would pay £12.27 per week.

Level of Discount	Couple
75%	In receipt of a passported benefit
75%	£0 to £149.00
55%	£149.01 to £189.00
40%	£189.01 to £229.00
20%	£229.01 to £269.00
0%	269.01+

Personal Independence Payments disregarded (£256.99)

Housing Element disregarded (£108.92)

Limited Work Capability disregarded (£32.72)

Net Universal Credit = £169.96

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A couple with no children.

Receives Employment and Support Allowance (Contribution Based, Transitional Addition and Support Related Component) and Personal Independence Payment (Daily Living and Mobility Standard) at £358.24 per week.

Property Band C, with an annual liability of £1,895.78

Current Scheme – yearly entitlement £1,314.46

They currently have to pay Council Tax at £11.12 per week.

Based on the new income banded scheme they would pay £9.09 per week as the maximum level of discount has increased to 75%.

Level of Discount	Couple
75%	In receipt of a passported benefit
75%	£0 to £149.00
55%	£149.01 to £189.00
40%	£189.01 to £229.00
20%	£229.01 to £269.00
0%	269.01+

Personal Independence Payments are disregarded (£137.27)

Employment and Support Allowance payments total £220.98 less Support Related Component and (£75) disregard = £98.29

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A couple with no children.

Employed with net earnings of £212.07 per week.

Property Band A, with an annual liability of £1,421.83

Current Scheme – yearly entitlement £474.23

They currently have to pay Council Tax at £18.12 per week.

Based on the new income banded scheme they would pay £16.36 per week

Level of Discount	Couple
75%	In receipt of a passported benefit
75%	£0 to £149.00
55%	£149.01 to £189.00
40%	£189.01 to £229.00
20%	£229.01 to £269.00
0%	269.01+

£212.07 per week less standard earnings disregard (£10) = £202.07

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A couple with no children with three grown up sons (non-dependants) that have no income.

Receives Employment and Support Allowance (Income Related).

Property Band C, with disabled band relief, with an annual liability of £1,658.80

As the three sons are over 18 non-dependant deductions of £4.60 per week per person are applied.

Current Scheme – yearly entitlement £439.62

They currently have to pay Council Tax at £23.32 per week.

Based on the new income banded scheme they would pay £7.95 per week, as the non-dependant deduction will not be applied and the maximum level of discount has increased to 75%.

Level of Discount	Couple
75%	In receipt of a passported benefit
75%	£0 to £149.00
55%	£149.01 to £189.00
40%	£189.01 to £229.00

20%	£229.01 to £269.00
0%	269.01+

Employment and Support Allowance (Income Related) is a “passported” income.

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## Single Parent with One Child

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A single parent with one child and a grown up son (non-dependant) who receives a disability benefit. Employed, receiving Tax Credits and Child Benefit, with a weekly income of £290.65. Property Band B, with an annual liability of £1,658.80. As the grown up son receives a disability benefit a non-dependant deduction is not applied.

Current Scheme - yearly entitlement £897.75

They currently have to pay Council Tax at £14.56 per week.

Based on the new income banded scheme they would pay £19.08 per week.

Level of Discount	Single 1 Child
75%	In receipt of a passported benefit
75%	£0 to £176.00
55%	£176.01 to £216.00
40%	£216.01 to £256.00
20%	£256.01 to £296
0%	£296.01+

Child Benefit disregarded (£25.60)

Net income 265.05 per week less standard lone parent earnings disregard (£25) = £240.05

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A single parent with one child.

Employed, receiving Tax Credits, Carer's Allowance and Child Benefit, with a weekly income of £379.18. Property Band B, with an annual liability of £1,658.80

Current Scheme - yearly entitlement £777.49

They currently have to pay Council Tax at £16.86 per week.

Based on the new income banded scheme they would pay £19.08 per week.

Level of Discount	Single & 1 Child
75%	In receipt of a passported benefit
75%	£0 to £176.00
55%	£176.01 to £216.00
40%	£216.01 to £256.00
20%	£256.01 to £296
0%	£296.01+

Carer's Allowance disregarded (£81.89)

Child Benefit disregarded (£25.60)

Net income 271.69 per week less standard lone parent earnings disregard (£25) = £246.69

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A single parent with one child.

Receives Employment and Support Allowance (Income Related).

Property Band A, with an annual liability of £1,066.37

Current Scheme - yearly entitlement £746.46

They currently have to pay Council Tax at £6.12 per week.

Based on the new income banded scheme they would pay £5.11 per week as the maximum level of discount has increased to 75%.

<b>Level of Discount</b>	<b>Single &amp; 1 Child</b>
75%	In receipt of a passported benefit
75%	£0 to £176.00
55%	£176.01 to £216.00
40%	£216.01 to £256.00
20%	£256.01 to £296
0%	£296.01+

Employment and Support Allowance (Income Related) is a “passported” income.

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A single parent with one child and a grown up son (non-dependant), earning £450 per week.  
Receives Income Support.

Property Band C, with an annual liability of £1,895.78

Current Scheme - yearly entitlement £710.08

They currently have to pay Council Tax at £22.68 per week.

Based on the new income banded scheme they would pay £9.09 per week, as the non-dependant deduction will not be applied and the maximum level of discount has increased to 75%.

<b>Level of Discount</b>	<b>Single &amp; 1 Child</b>
75%	In receipt of a passported benefit
75%	£0 to £176.00
55%	£176.01 to £216.00
40%	£216.01 to £256.00
20%	£256.01 to £296
0%	£296.01+

Income Support is a “passported” income.

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A single parent with one child.

Receives Universal Credit with Housing Element and Limited Work Capability, with Personal Independence Payments (Daily Living Enhanced and Mobility Enhanced) and Child Benefit at £507.17 per week.

Property Band B with an annual liability of £1,244.10

Current Scheme - yearly entitlement £871.08

They currently have to pay Council Tax at £7.13 per week.

Based on the new income banded scheme they would pay £5.96 per week as the maximum level of discount has increased to 75%.

<b>Level of Discount</b>	<b>Single &amp; 1 Child</b>
75%	In receipt of a passported benefit
75%	£0 to £176.00
55%	£176.01 to £216.00
40%	£216.01 to £256.00
20%	£256.01 to £296
0%	£296.01+

Child Benefit disregarded (£25.60)

Personal Independence Payments (£184.32)

Housing Element disregarded (£41.73)

Limited Work Capability disregarded (£84.61)

Net Universal Credit = £170.91

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## Couple and One Child

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A couple with one child.

Receives Employment and Support Allowance (Contribution Based and Support Related Component), Personal Independence Payments (Daily Living Enhanced) Tax Credits, Child Benefit and Carer's Allowance at £537.39 per week.

Property Band C with an annual liability of £1,895.78

Current Scheme – yearly entitlement £1,327.05

They currently have to pay Council Tax at £10.88 per week.

Based on the new income banded scheme they would pay £9.09 per week as the maximum level of discount has increased to 75%.

Level of Discount	Couple & 1 Child
75%	In receipt of a passported benefit
75%	£0 to £230.00
55%	£230.01 to £270.00
40%	£270.01 to £310.00
20%	£310.01 to £350.00
0%	£350.01+

Personal Independence Payments disregarded (£108.57)

Carer's Allowance is disregarded (£81.89)

Child Benefit disregarded (£25.60)

Tax Credits and Employment and Support Allowance payments, less Support Related Component (£47.70) and (£75) disregard = £198.63

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A couple with one child and a grown up son (non-dependant) with no income.

Employed, receiving Tax Credits and Child Benefit at £421.06 per week.

Property Band D with an annual liability of £2,132.74

As the son is over 18 a non-dependant deduction of £4.60 per week is applied.

Current Scheme – yearly entitlement £59.08

They currently have to pay Council Tax at £39.66 per week.

Based on the new income banded scheme they would pay £40.90 per week, as their income is too high to qualify.

Level of Discount	Couple & 1 Child
75%	In receipt of a passported benefit
75%	£0 to £230.00
55%	£230.01 to £270.00
40%	£270.01 to £310.00
20%	£310.01 to £350.00
0%	£350.01+

Child Benefit disregarded (£25.60)

Net earnings and Tax Credits, less couple disregard (£10) = £385.46

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A couple with one child.

Receives Employment and Support Allowance (Income Related) and Personal Independence Payments (Daily Living Enhanced and Standard Mobility).

Property Band B with an annual liability of £1,658.80

Current Scheme – yearly entitlement £1,161.27

They currently have to pay Council Tax at £9.53 per week.

Based on the new income banded scheme they would pay £7.95 per week as the maximum level of discount has increased to 75%.

Level of Discount	Couple & 1 Child
75%	In receipt of a passported benefit
75%	£0 to £230.00
55%	£230.01 to £270.00
40%	£270.01 to £310.00
20%	£310.01 to £350.00
0%	£350.01+

Personal Independence Payments are disregarded.  
Employment and Support Allowance (Income Related) is a “passported” income.

A couple with one child.  
Receives Universal Credit, with Housing Element and Child Benefit at £335.51 per week.  
Property Band A with an annual liability of £1,421.83

Current Scheme – yearly entitlement £995.28

They currently have to pay Council Tax at £8.15 per week.

Based on the new income banded scheme they would pay £6.81 per week as the maximum level of discount has increased to 75%.

Level of Discount	Couple & 1 Child
75%	In receipt of a passported benefit
75%	£0 to £230.00
55%	£230.01 to £270.00
40%	£270.01 to £310.00
20%	£310.01 to £350.00
0%	£350.01+

Child Benefit disregarded (£25.60)  
Housing Element disregarded (£147.33)  
Net Universal Credit = £162.58

A couple with one child.  
Employed and receives Universal Credit with Housing Element, Carer and Disabled Child, with Child Benefit at £528.73 per week  
Property Band C with an annual liability of £1,895.78

Current Scheme – yearly entitlement £800.49

They currently have to pay Council Tax at £20.95 per week.

Based on the new income banded scheme they would pay £21.81 per week.

Level of Discount	Couple & 1 Child
75%	In receipt of a passported benefit
75%	£0 to £230.00
55%	£230.01 to £270.00
40%	£270.01 to £310.00

20%	£310.01 to £350.00
0%	£350.01+

Child Benefit disregarded (£25.60)  
Housing Element disregarded (£147.74)  
Carer Element disregarded (£45.76)  
Disabled Child Element disregarded (£36.02)  
Net Universal Credit = £273.61

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## Single Parent with Two Children or More

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A single parent with three children and a grown up daughter (non-dependant), no income details provided.

Receives Employment and Support Allowance (Income Related) and Personal Independence Payments (Daily Living).

Property Band D with an annual liability of £1,599.55

A non-dependant deduction is not applied as the single parent receives a disability payment and single.

Current Scheme - yearly entitlement £1,119.69

They currently have to pay Council Tax at £9.18 per week.

Based on the new income banded scheme they would pay £7.67 per week, as the non-dependant deduction will not be applied and the maximum level of discount has increased to 75%.

Level of Discount	Single & 2+ Children
75%	In receipt of a passported benefit
75%	£0 to 256.00
55%	£256.01 to 296.00
40%	£296.01 to £336.00
20%	£336.01 to £376.00
0%	£376.01+

Personal Independence Payments are disregarded.

Employment and Support Allowance (Income Related) is a "passport" income.

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A single parent with two children.

Receives Employment and Support Allowance (Contribution Based and Support Related Component), Personal Independence Payments (Daily Living and Mobility) War Disability Pensions and Child Benefit with a weekly income of £571.97.

Property Band B with an annual liability of £1,244.10

Current Scheme - yearly entitlement £870.87

They currently have to pay Council Tax at £7.14 per week.

Based on the new income banded scheme they would pay £5.96 per week as the maximum level of discount has increased to 75%.

Level of Discount	Single & 2+ Children
75%	In receipt of a passported benefit
75%	£0 to 256.00
55%	£256.01 to 296.00
40%	£296.01 to £336.00
20%	£336.01 to £376.00
0%	£376.01+

Personal Independence Payments disregarded (184.32).

Child Benefit disregarded (£42.58)

War Disability Payments disregarded (£206.89)

Employment and Support Allowance payments total £138.18 less Support Related Component (£47.70) and £75 disregard = £15.48

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A single parent with five children.

Employed, receiving Personal Independence Payments (Standard and Mobility), Tax Credits and Child Benefits, with a weekly income of £743.42.

Child care at £54.00 per week.

Property Band B with an annual liability of £1,244.10

Current Scheme - yearly entitlement £870.87

They currently have to pay Council Tax at £7.14 per week.

Based on the new income banded scheme they would pay £23.86 per week, as their income is too high to qualify.

<b>Level of Discount</b>	<b>Single &amp; 2+ Children</b>
75%	In receipt of a passported benefit
75%	£0 to 256.00
55%	£256.01 to 296.00
40%	£296.01 to £336.00
20%	£336.01 to £376.00
0%	£376.01+

Personal Independence Payments disregarded (101.37).

Child Benefit disregarded (£93.52)

Child care disregarded (£54)

Net income £193.13 per week less standard lone parent earnings disregard (£25) and (£75) disregard = £93.13

Tax Credits = £355.40

Net weekly income = £93.13 + £355.40 = £448.53

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A single parent with three children.

Employed, receiving Tax Credits and Child Benefits, with a weekly income of £545.78.

Property Band C with an annual liability of £1,421.83

Current Scheme - yearly entitlement £242.61

They currently have to pay Council Tax at £22.55 per week.

Based on the new income banded scheme they would pay £27.27 per week, as their income is too high to qualify.

<b>Level of Discount</b>	<b>Single &amp; 2+ Children</b>
75%	In receipt of a passported benefit
75%	£0 to 256.00
55%	£256.01 to 296.00
40%	£296.01 to £336.00
20%	£336.01 to £376.00
0%	£376.01+

Child Benefit disregarded (£59.56)

Net income £187.49 per week less standard lone parent earnings disregard (£25) = £162.49

Tax Credits = £298.73

Net weekly income = £162.49 + £298.73 = £461.22

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A single parent with four children.

Receives Universal Credit and Child Benefit at £297.96 per week.

Property Band B with an annual liability of £1,708.18

Current Scheme - yearly entitlement £1,195.73

They currently have to pay Council Tax at £9.80 per week.

Based on the new income banded scheme they would pay £8.19 per week as the maximum level of discount has increased to 75%.

<b>Level of Discount</b>	<b>Single &amp; 2+ Children</b>
75%	In receipt of a passported benefit
75%	£0 to 256.00
55%	£256.01 to 296.00
40%	£296.01 to £336.00
20%	£336.01 to £376.00
0%	£376.01+

Child Benefit disregarded (£76.54)

Net Universal Credit = £221.42

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## Couple with Two Children or More

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A couple with two children.

Employed, receiving Employment and Support Allowance (Contribution Based and Support Related Component), Tax Credits and Child Benefit at £557.08 per week.

Property Band C with an annual liability of £1,952.22

Current Scheme – yearly entitlement £556.84

They currently have to pay Council Tax at £26.69 per week.

Based on the new income banded scheme they would pay £22.46 per week.

Level of Discount	Couple & 2+ Children
75%	In receipt of a passported benefit
75%	£0 to £310.00
55%	£310.01 to £350.00
40%	£350.01 to £390.00
20%	£390.01 to £430.00
0%	£430.01+

Child Benefit disregarded (£42.58)

Employment and Support Allowance payments, less Support Related Component (£47.70) and (£75) disregard = £15.48

Net earnings less standard disability earnings disregard (£20) = £214.68

Tax Credits = £141.64

Net weekly income = £15.48 + £214.68 + 141.64 = £371.80

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A couple with two children.

Employed, receiving Personal Independence Payments x2 (Enhanced and Mobility) and (Standard), Tax Credits and Child Benefit at £919.04 per week.

Property Band B with an annual liability of £1,708.18

Current Scheme – yearly entitlement £817.75

They currently have to pay Council Tax at £17.03 per week.

Based on the new income banded scheme they would pay £32.76 per week, as their income is too high to qualify

Level of Discount	Couple & 2+ Children
75%	In receipt of a passported benefit
75%	£0 to £310.00
55%	£310.01 to £350.00
40%	£350.01 to £390.00
20%	£390.01 to £430.00
0%	£430.01+

Child Benefit disregarded (£42.58)

Personal Independence Payments disregarded (£209.93).

Net earnings less standard disability earnings disregard (£20) and (£75) disregard = £151.85

Tax Credits = £419.68

Net weekly income = £151.85 + £419.68 = £571.53

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A couple with four children.

Employed, receiving Tax Credits and Child Benefit at £540.54 per week.

Property Band C with an annual liability of £1,895.78

Current Scheme – yearly entitlement £492.53

They currently have to pay Council Tax at £26.84 per week.

Based on the new income banded scheme they would pay £36.35 per week, as their income is too high to qualify.

<b>Level of Discount</b>	<b>Couple &amp; 2+ Children</b>
75%	In receipt of a passported benefit
75%	£0 to £310.00
55%	£310.01 to £350.00
40%	£350.01 to £390.00
20%	£390.01 to £430.00
0%	£430.01+

Child Benefit disregarded (£76.54)

Net earnings less standard couple earnings disregard (£10) = £243.46

Tax Credits = £210.54

Net weekly income = £243.46 + £210.54 = £454.00

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A couple with four children, with one child receiving a disability benefit.

Employed, receiving Tax Credits, Carer's Allowance and Child Benefit at £743.23 per week.

Property Band C with an annual liability of £1,895.78

Current Scheme – yearly entitlement £1,210.41

They currently have to pay Council Tax at £13.11 per week.

Based on the new income banded scheme they would pay £36.35 per week, as their income is too high to qualify.

<b>Level of Discount</b>	<b>Couple 2+ Children</b>
75%	In receipt of a passported benefit
75%	£0 to £310.00
55%	£310.01 to £350.00
40%	£350.01 to £390.00
20%	£390.01 to £430.00
0%	£430.01+

Child Benefit disregarded (£76.54)  
 Carer's Allowance disregarded (£81.89)  
 Net earnings less standard couple earnings disregard (£10) and (£75) disregard = £149.11  
 Tax Credits = £350.69

Net weekly income = £149.11 + £350.69 = £499.80

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A couple with four children.  
 Receives Universal Credit, with Limited Work Capability and Child Benefit at £459.05 per week.  
 Property Band A with an annual liability of £1,421.83

Current Scheme – yearly entitlement £995.28

They currently have to pay Council Tax at £8.16 per week.

Based on the new income banded scheme they would pay £6.82 per week as the maximum level of discount has increased to 75%.

Level of Discount	Couple 2+ Children
75%	In receipt of a passported benefit
75%	£0 to £310.00
55%	£310.01 to £350.00
40%	£350.01 to £390.00
20%	£390.01 to £430.00
0%	£430.01+

Child Benefit disregarded (£76.54)  
 Limited Work Capability disregarded (£96.04)  
 Net Universal Credit = £286.47

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## **TORBAY COUNCIL**

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**Meeting:** Council

**Date:** 7 December 2023

**Wards Affected:** All Wards

**Report Title:** Council Tax Base 2024/25

**Is the decision a key decision?** Yes

**When does the decision need to be implemented?**

**Executive Lead Contact Details:** Councillor Alan Tyerman, Cabinet Member for Housing, Finance and Corporate Services, [Alan.Tyerman@torbay.gov.uk](mailto:Alan.Tyerman@torbay.gov.uk)

**Supporting Officer Contact Details:** Malcolm Coe, Director of Finance, [malcolm.coe@torbay.gov.uk](mailto:malcolm.coe@torbay.gov.uk)

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### **1. Purpose of Report**

- 1.1 The Council is required to determine its Tax Base for Council Tax purposes for 2024/25 during the period 1 December 2023 to 31 January 2024 and the level of Council Tax subsequently set must use this base figure. The Tax Base calculation is provided in Appendix 1.
- 1.2 The Council, as a billing authority, is required to calculate a separate Tax Base for the Brixham Town Council area. A Tax Base calculation for this area is provided in Appendix 2.

### **2. Reason for Proposal and its benefits**

- 2.1 The calculation of the Council Tax Base for both Torbay and Brixham Town Council is a statutory requirement in the annual budget setting process.

For more detailed information on this proposal please refer to the supporting information.

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### **3. Recommendations**

- 3.1 **That the calculation of the Torbay Council Tax Base for the year 2024/25 be approved as detailed in Appendix 1.**
- 3.2 **That the calculation of the Brixham Town Council Tax Base for the year 2024/25 be approved as detailed in Appendix 2.**
- 3.3 **That, in accordance with the Local Authorities (Calculation of Tax base) (England) Regulations 2012, the amount calculated by Torbay Council as its Council Tax base for the year 2024/25 should be 47,374.08.**

- 3.4 That, in accordance with the Local Authorities (Calculation of Tax base) (England) Regulations 2012, the amount calculated by Torbay Council as the Council Tax base for Brixham Town Council for the year 2024/25 should be 6,251.14.**
- 3.5 That, from April 2025 the Council adopts a 100% Council Tax premium in respect of second homes (as previously approved at Council on 8<sup>th</sup> December 2022)**
- 3.6 That, from April 2024 the Council adopts a 100% Council Tax premium in respect of empty premises that have been left unoccupied and substantially unfurnished for a period of between 1 and 2 years (as previously approved at Council on 8<sup>th</sup> December 2022)**

## **Appendices**

Appendix 1: The calculation of Torbay Council Tax Base 2024/25

Appendix 2: The calculation of Brixham Town Council Tax Base 2024/25

## Supporting Information

### 1. Position

#### Taxbase

- 1.1 The Council is statutorily required to establish a base figure for the purpose of setting the level of Council Tax each year – the “Tax Base”. The calculation of this figure is prescribed by the Local Authorities (Calculation of Tax Base) (England) Regulations 2012.
- 1.2 The Regulations require this calculation to be made between 1<sup>st</sup> December 2023 and 31<sup>st</sup> January 2024 and for this figure to be notified to precepting authorities by the 31<sup>st</sup> January 2024. For the year commencing 1<sup>st</sup> April 2024, the precepting authorities are Police and Crime Commissioner for Devon and Cornwall, Devon and Somerset Fire and Rescue Authority and, as a local precepting authority, Brixham Town Council.
- 1.3 Torbay Council, together with precepting authorities, are required to use the tax base calculated by Torbay Council, as the billing authority, to determine their basic amounts of Council Tax for 2024/25.
- 1.4 The calculation of the tax base is prescribed by statute. It reflects the aggregate of the “relevant amounts” for each valuation band, (including the impact from Council Tax Support Scheme), multiplied by the anticipated collection rate for the year. The calculation for the Council’s tax base is detailed in Appendix 1 and the calculation for Brixham Town Council is detailed in Appendix 2.
- 1.5 The calculation of the relevant amount begins with the actual number of dwellings on the “relevant date”. For 2024/25 this is the 30<sup>th</sup> November 2023. This number of dwellings is adjusted to make allowance for estimated variations to the list and for the impact of allowed discounts to certain classes of dwellings.
- 1.6 The impact of the Council Tax Support Scheme, including the impact of the exceptional hardship scheme, which is linked to claimants, is converted to an equivalent number of dwellings per band by dividing the estimated cost per band of the reductions divided by the estimated Council Tax for that band.
- 1.7 These are then converted into Band “D” equivalents to produce the “relevant” amounts prescribed by the Regulations.
- 1.9 The billing authority then estimates its Council Tax Collection Rate, which is the percentage of 2024/25 Council Tax demands which it predicts will be paid into the Collection Fund during 2024/25. The in-year Collection rate estimated for 2024/25 is 96.0% and this is reflected in the Tax Base calculation. Any tax collected more than 96.0% for the billing year 2024/25 and prior years, will be reflected in the annual Collection Fund surplus.
- 1.10 As mitigation to the risks around the economic impact on the Council’s Council Tax collection rates, the Council will continue to allocate a contingency in its budget equal to 1% of collection. If required, this contingency can be used to fund the

Council's share of any collection fund deficit lower than a 96% in year collection rate.

- 1.11 The calculated Torbay Council Tax Base for 2024/25 of 47,374.08 compares with the 2023/24 tax base of 46,620.10, a 1.6% increase.
- 1.12 For the calculation of the Council Tax due to Brixham Town Council, a Tax Base must be determined by Torbay Council, as the billing authority. The tax base for Brixham Town Council is 6,251.14 as detailed in Appendix 2. This compares with the 2023/24 tax base of 6,211.39 which is a 0.6% increase.

## **2 Technical Adjustments**

- 2.1 The calculated taxbase reflects the revised 2024/25 Council Tax Support Scheme which is subject to approval by Council at its meeting of the 7 December 2023.
- 2.2 The Levelling Up and Regeneration bill gained Royal Assent in October 2023. This has enabled the Council to enact the previous approvals, as made by Council in December 2022, in relation to changes in charges for Second Homes and Empty Homes. These changes aim to promote greater access of homes available for local residents across Torbay.
- 2.3 If a dwelling meets the definition of a "dwelling occupied periodically", (a second home), the amount of council tax payable on that dwelling can be increased up to 100% from 2025/26. The conditions are that "there is no resident for that dwelling" and the "dwelling is substantially furnished". The Council is required to make a "determination" confirming their intentions at least 12 months prior to the financial year in which the changes will come into effect. It is therefore proposed that this change will apply from April 2025.
- 2.4 The change in legislation regarding charging for Empty dwellings enables the 100% premium for long-term empty dwellings to be chargeable after one year, rather than the current two years. This change will be enacted from 1 April 2024.
- 2.5 The two legislative changes are intended to support the housing needs and housing issues within an area. The financial implications of the change to empty homes charging, has been incorporated within the 2024/25 Tax Base calculation.

## **3. Options**

- 3.1 The taxbase has to be statutorily set by the end of January 2024. The Council therefore either need to approve the taxbase at the meeting scheduled for 7 December 2023 or subsequently set a separate extraordinary meeting, prior to 31 January 2024.

## **4. Risks**

- 4.1 If a taxbase is not approved by end of January 2024 then the Council will be unable to set a budget for the 2024/25 financial year, which will also impact on other precepting bodies.

- 4.2 There is a risk that the Council is not able to achieve the in-year Council Tax collection rate which has been set within the Tax Base calculation (particularly in light of the cost of living crisis). To mitigate this risk, as in previous years, a 1% contingency will be set in the 2024/25 budget as a specific earmarked reserve.

**CALCULATION OF (TORBAY) COUNCIL TAXBASE - 2024/25**

30th November 2023 - "Relevant date" (as required)

TORBAY COUNCIL		TAX BASE CALCULATION								2024/2025			
		BAND A <small>with disabled relief</small>	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H	TOTAL		
(H)	CHARGEABLE DWELLINGS FOR BAND	19.00	13,469.00	17,507.00	16,766.00	10,473.00	5,259.00	2,365.00	1,251.00	115.00	67,224.00		
(Q)	Total Discounts	2.75	2,243.25	1,808.85	1,440.00	771.80	316.75	139.75	73.50	7.75	6,804.40		
(E)	Long Term Empty Premium	-	301.00	206.00	148.00	93.00	43.00	27.00	16.00	4.00	838.00		
(J)	Total Adjustments	0.00	0.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	200.00		
(Z)	Local Council Tax Scheme Reductions	0.00	3,020.25	2,491.81	1,450.18	608.87	91.87	30.89	7.61	1.57	7,703.05		
	<b>TOTAL DWELLINGS</b>	<b>16.25</b>	<b>8,506.50</b>	<b>13,412.34</b>	<b>14,023.82</b>	<b>9,385.33</b>	<b>4,893.38</b>	<b>2,221.36</b>	<b>1,185.89</b>	<b>109.68</b>	<b>53,754.55</b>		
(F)	Ratio to Band D	$\frac{5}{9}$	$\frac{6}{9}$	$\frac{7}{9}$	$\frac{8}{9}$	$\frac{9}{9}$	$\frac{11}{9}$	$\frac{13}{9}$	$\frac{15}{9}$	$\frac{18}{9}$			
(G)													
(A)	RELEVANT AMOUNTS' for 2024/2025	((H-Q+E+J)-Z) x (F divided by G)		9.00	5,671.00	10,431.80	12,465.60	9,385.30	5,980.80	3,208.60	1,976.50	219.40	49,348.00
		[Section 4 (1) of The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012]											
(B)	COLLECTION RATE												96.0%
	TAX BASE - (A) x (B)												47,374.08
		[Section 3 (1) of The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012]											

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**CALCULATION OF COUNCIL TAXBASE - 2024/25**

**Appendix 2**

30th November 2023 - "Relevant date" (as required)

<b>Brixham Town Council</b>		<b>TAX BASE CALCULATION</b>								<b>2024/2025</b>			
		<b>BAND A</b> <small>with disabled relief</small>	<b>BAND A</b>	<b>BAND B</b>	<b>BAND C</b>	<b>BAND D</b>	<b>BAND E</b>	<b>BAND F</b>	<b>BAND G</b>	<b>BAND H</b>	<b>TOTAL</b>		
(H)	<b>CHARGEABLE DWELLINGS FOR BAND</b>	<b>5.00</b>	<b>1,336.00</b>	<b>2,179.00</b>	<b>2,418.00</b>	<b>1,587.00</b>	<b>705.00</b>	<b>336.00</b>	<b>101.00</b>	<b>3.00</b>	<b>8,670.00</b>		
(Q)	<b>Total Discounts</b>	<b>1.00</b>	<b>208.15</b>	<b>213.90</b>	<b>202.50</b>	<b>109.05</b>	<b>38.25</b>	<b>19.25</b>	<b>7.25</b>	<b>0.00</b>	<b>799.35</b>		
(E)	<b>Long Term Empty Premium</b>	<b>-</b>	<b>24.00</b>	<b>8.00</b>	<b>11.00</b>	<b>1.00</b>	<b>1.00</b>	<b>5.00</b>	<b>-</b>	<b>1.00</b>	<b>51.00</b>		
(J)	<b>Total Adjustments</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>26.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>26.00</b>		
(Z)	<b>Local Council Tax Scheme Reductions</b>	<b>0.00</b>	<b>310.28</b>	<b>319.98</b>	<b>195.85</b>	<b>68.49</b>	<b>13.77</b>	<b>5.02</b>	<b>0.00</b>	<b>0.00</b>	<b>913.39</b>		
	<b>TOTAL DWELLINGS</b>	<b>4.00</b>	<b>841.57</b>	<b>1,653.12</b>	<b>2,030.65</b>	<b>1,436.46</b>	<b>653.98</b>	<b>316.73</b>	<b>93.75</b>	<b>4.00</b>	<b>7,034.26</b>		
(F)	<b>Ratio to Band D</b>	$\frac{5}{9}$	$\frac{6}{9}$	$\frac{7}{9}$	$\frac{8}{9}$	$\frac{9}{9}$	$\frac{11}{9}$	$\frac{13}{9}$	$\frac{15}{9}$	$\frac{18}{9}$			
(G)													
(A)	<b>RELEVANT AMOUNTS' for 2024/2025</b>	((H-Q+E+J)-Z) x (F divided by G)		<b>2.20</b>	<b>561.00</b>	<b>1,285.80</b>	<b>1,805.00</b>	<b>1,436.50</b>	<b>799.30</b>	<b>457.50</b>	<b>156.30</b>	<b>8.00</b>	<b>6,511.60</b>
		[Section 4 (1) of The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012]											
(B)	<b>COLLECTION RATE</b>												<b>96.0%</b>
	<b>TAX BASE - (A) x (B)</b>												<b>6,251.14</b>
		[Section 3 (1) of The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012]											

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