

TORBAY COUNCIL

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

Introduction

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

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

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

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%.

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+

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

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%.

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+

Personal Independence Payments disregarded (£72.66).

Net Universal Credit = £90.79

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%.

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+

Income Support is a “passported” income.

Couples

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

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

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

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

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.

Single Parent with One Child

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

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

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%.

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+

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

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%.

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+

Income Support is a “passported” income.

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%.

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)

Personal Independence Payments (£184.32)

Housing Element disregarded (£41.73)

Limited Work Capability disregarded (£84.61)

Net Universal Credit = £170.91

Couple and One Child

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

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

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 £9.52 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 "passport" 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

Single Parent with Two Children or More

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.

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

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.

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 (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

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.

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+

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

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%.

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+

Child Benefit disregarded (£76.54)

Net Universal Credit = £221.42

Couple with Two Children or More

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

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

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.

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)

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

Tax Credits = £210.54

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

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.

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)
 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

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
