

APPENDIX E

ANALYSIS OF PREFERRED SCHEME (85% CAP ON CTB ENTITLEMENT)

Annual saving achieved: £2,741,130.79

This model reduces current levels of CTB entitlement by 15%, effectively setting an 85% cap on existing award levels. This model offers no additional protection to any group other than pensioners, although by adapting the existing CTB scheme there are built in protections offered to disabled households and work incentives. The levels of required savings are achieved and offer an acceptable level of fairness across all working age claimants. Households with children and disabilities retain proportionate protection.

No of customers affected: 23,689

Value of annual CTB lost:

Amount of annual CTB lost	Number of claims
£0 - £49.99	1,202
£50 - £99.99	4,763
£100 - £149.99	14,332
£150 - £199.99	2,874
£200 - £249.99	444
£250 - £299.99	60
£300 or more	14

Average amount of annual CTB lost: **£115.71**

Largest reduction in CTB award: **£304.72**

No. of cases paid as Second Adult Rebate: **254**

Value of Second Adult Rebate **£57,846**

Council Tax Band of affected customers:

Council Tax Band	Number of claims
A	3,365
B	9,780
C	6,403
D	2,604
E	1,306
F	173
G	41
H	2
Unknown Band	15

Household breakdown:

Households with dependent children: **11,102**

Single parents in group: **8,763**

Disabled households in group: **4,262**

Number of Carers in group: **179**

Claimant gender breakdown in affected group:

Gender	Number of claims affected
Male	8,611
Female	14,488
Unknown	590

Income:

Working households: **5,195**

Receiving Income Support: **7,972**

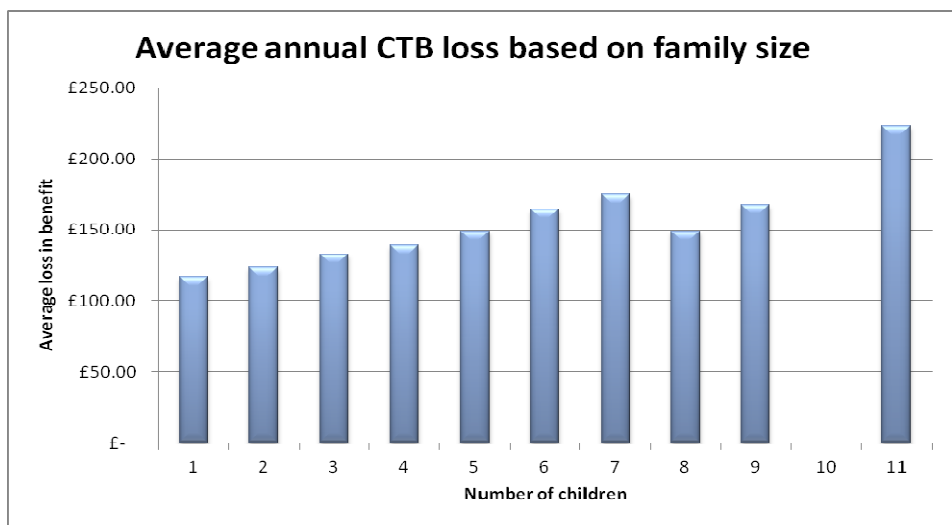
Receiving Jobseeker's Allowance: **5,131**

Receiving Employment Support Allowance (IR) **3,214**

Benefit reduction:

Average annual loss for group: **£115.71**

Average annual loss for families: **£122.26**



Average annual loss single parent households: **£117.21**

Average annual loss for disabled households: **£124.64**

Average annual loss for working households: **£96.44**

Average annual loss for couples: **£141.74**

Average annual loss for single female claimants: **£115.48**

Average annual loss for single male claimants: **£105.51**

Protection within the preferred CTRS scheme

Disabled Households			Average annual CTB award	Non-Disabled Households			Average annual CTB award	Protection offered under CTB
Existing CTB Scheme	Disabled single claimant	£	794.20	Existing CTB Scheme	Non-Disabled single claimant	£	705.00	£ 89.20
	Disabled couple	£	1,053.63		Non-Disabled couple	£	913.23	£ 140.40
	Disabled couple (1 child)	£	1,018.56		Non-Disabled couple (1 child)	£	875.65	£ 142.91
	Disabled couple (2 children)	£	1,069.73		Non-Disabled couple (2 children)	£	880.02	£ 189.71
	Disabled couple (3 children)	£	1,114.23		Non-Disabled couple (3 children)	£	960.86	£ 153.37
	Disabled single parent (1 child)	£	872.45		Non-Disabled single parent (1 child)	£	744.05	£ 128.40
	Disabled single parent (2 children)	£	858.75		Non-Disabled single parent (2 children)	£	777.89	£ 80.86
	Disabled single parent (3 children)	£	957.56		Non-Disabled single parent (3 children)	£	828.71	£ 128.85

Disabled Households			Average annual CTRS award	15% reduction	Non-Disabled Households			Average annual CTRS award	15% reduction	Protection offered under CTRS			
Preferred CTRS Scheme (15% reduction)	Disabled single claimant	£	875.07	£	119.13	Preferred CTRS Scheme (15% reduction)	Non-Disabled single claimant	£	599.25	£	105.75	£	75.82
	Disabled couple	£	895.59	£	158.04		Non-Disabled couple	£	776.25	£	136.98	£	119.34
	Disabled couple (1 child)	£	865.78	£	152.78		Non-Disabled couple (1 child)	£	744.30	£	131.35	£	121.48
	Disabled couple (2 children)	£	909.27	£	160.46		Non-Disabled couple (2 children)	£	748.02	£	132.00	£	161.25
	Disabled couple (3 children)	£	947.10	£	167.13		Non-Disabled couple (3 children)	£	816.73	£	144.13	£	130.37
	Disabled single claimant (1 child)	£	741.58	£	130.87		Non-Disabled single claimant (1 child)	£	632.44	£	111.61	£	109.14
	Disabled single claimant (2 children)	£	729.94	£	128.81		Non-Disabled single claimant (2 children)	£	661.21	£	116.68	£	68.73
	Disabled single claimant (3 children)	£	813.93	£	143.63		Non-Disabled single claimant (3 children)	£	704.40	£	124.31	£	109.53

The above analysis offers a comparison between the protection offered under the existing CTB scheme and that offered under Southwark's preferred CTRS scheme. It demonstrates that by adapting the existing Council Tax Benefit scheme, disabled households and families will on average receive a higher award of CTRS than those that fall outside of this definition. Work incentives will also be preserved through retaining the existing Extended Payment award when a claimant finds employment.

A requirement of a Local CTRS scheme is to give consideration to the type of protection that it is appropriate to build into the scheme. This protection must apply to 'vulnerable' claimants, although definition of this criterion has been left up to individual Local Authorities. Authorities have also been reminded of their duties in respect of preventing Child Poverty and asked to ensure that the scheme does not go against the work incentives that are a cornerstone of the Welfare Reform Bill and eventual roll-out of Universal Credit.