

Appendix 4 - Financial Analysis

Recommendation A - Introduce a maximum level of support for all working age applicants to 80%

Under this recommendation there would be an estimated £948,000 reduction in the level of Council Tax Support (CTS) provided

As a result of this action, 0.33% of all existing recipients will no longer receive any CTS

The most common reduction in CTS per recipient would be between £2.00 and £2.99 per week

Recommendation B - Reduce the capital limit from the existing £16,000 to £6,000

Under this recommendation there would be an estimated £99,000 reduction in the level of CTS provided

As a result of this action, 0.89% of all existing recipients will no longer receive any CTS

The most common reduction in CTS per recipient would be between £12.00 and £14.99 per week

Recommendation C - To restrict the maximum level of Council Tax Reduction payable to the equivalent of a Band C

Under this recommendation there would be an estimated £35,000 reduction in the level of CTS provided

As a result of this action, 0.03% of all existing recipients will no longer receive any CTS

The most common reduction in CTS per recipient would be less than £3 per week

Recommendation D - To set a minimum level of support at £2 per week

Under this recommendation there would be an estimated £12,000 reduction in the level of CTS provided

As a result of this action, 1.10% of all existing recipients will no longer receive any CTS

Summary

The overall effect of all four of the recommendations applied simultaneously would be an estimated reduction of £1,091,000 in CTS.

However assuming collection rates of 50% and 80% the estimated additional income would be £546,000 and £873,000 respectively.

These combined recommendations would result in 2.31% of all existing recipients no longer receiving any CTS.

Of those affected by these changes, 46.53% will see a reduction in their weekly CTS of less than £3.00, with a further 49.21% experiencing a reduction of between £3.00 and £5.99.