

Automatic claiming

Ms A is awarded Universal Credit and meets the qualifying criteria for entitlement to Council Tax Reduction.	
Current CTR Scheme	Proposed CTR Scheme
Ms A cannot be awarded CTR until she makes an application.	Ms A is automatically awarded CTR.

Extending maximum backdate period

Mr B's Council Tax liability begins on 1 April 2020. In April 2021 he asks us to award him backdated CTR to the date his liability began. He meets all of the criteria to qualify for a backdated award.	
Current CTR Scheme	Proposed CTR Scheme
Mr B is awarded backdated CTR for the period October 20 to March 21.	Mr B is awarded backdated CTR for the period April 20 to March 21.

Stabilising entitlement

When calculating CTR entitlement we use an amount allowed for living expenses¹ for the applicant, their partner and any children or young persons² in **the applicant's** family.

We compare the total income and savings³ of the applicant and their partner against these living expenses when calculating CTR entitlement. The income and savings used to assess CTR entitlement is calculated on a weekly basis⁴.

Weekly deductions for other adults (**'non-dependants'**) who live in the household may also apply. These deductions are applied to the amount of calculated CTR entitlement.

Any changes in circumstances that affects living expenses, income or deductions for other adults may result in a change in CTR entitlement.

¹ Living expenses are determined based on age, household composition and disability and are made up of allowances and premiums.

² A 'young person' is a person aged 16 – 19 for whom Child Benefit is payable.

³ Less any income disregards that may apply. Some incomes and capital are fully disregarded (i.e. not counted). Where appropriate childcare costs can reduce the income we use to calculate CTR.

⁴ Income and capital that is not paid weekly is converted into a weekly amount.

LBOH CTRS Consultation 2022/23 Case Studies

The following case studies are based on changes in the weekly income figure used to calculate CTR. The weekly income figure used to calculate CTR can change due to changes in living expenses or income and savings.

The case studies below are used to illustrate entitlement under the current CTR scheme and the proposed CTR scheme if the weekly income used to calculate CTR entitlement were to change.

Deductions for other adults are applied after CTR entitlement is calculated.

Increases in income

Mrs C has weekly income of £249.90 and qualifies for a CTR award of £21.59 a week.		
Increase in weekly income used in CTR calculation	CTR entitlement change under current scheme	CTR entitlement change under proposed scheme
£25.00	- £5.00	- £5.00
£20.00	- £4.00	- £4.00
£15.00	- £3.00	£0.00
£10.00	- £2.00	£0.00
£5.00	- £1.00	£0.00

Decreases in income

Mr D has weekly income of £446.21 and qualifies for a CTR award of £15.28 a week.		
Decrease in weekly income used in CTR calculation	CTR entitlement change under current scheme	CTR entitlement change under proposed scheme
£25.00	+ £5.00	+ £5.00
£20.00	+ £4.00	+ £4.00
£15.00	+ £3.00	£0.00
£10.00	+ £2.00	£0.00
£5.00	+ £1.00	£0.00