

## Appendix 1

### Financial impact of 80% CTR and band C restriction

The table below details the weekly impact of the increase in council tax due from claimants if CTR support is reduced from 84% to 80% in conjunction with a band C restriction. The table is based on 2015/16 council tax charges for Hereford city.

Band	Annual CT charge 100% (£)	% of CTR claimants in each band	CTR payable 16% band D restriction (£)	CTR payable 20% with band C restriction (£)	Weekly increase in payments (£)
A	1,057	40%	169	211	0.80
B	1,233	37%	197	247	0.90
C	1,409	15%	225	282	1.09
D	1,585	5%	254	458	3.92
E	1,937	2%	606	810	3.92
F	2,290	1%	959	1,163	3.92
G	2,642	0.2%	1,311	1,515	3.92
H	3,170	0%	1,839	2,043	3.92

Subsidy is currently restricted to band D properties; this is proposed to be reduced to band C. This means that claimants living in a band D to H property will have their CTR restricted to band C from 2016/17. CTR subsidy at 80% of band C gives a chargeable amount of £282. The amount payable by claimants in properties above band C will be increased by the difference between the annual charge for the property they reside in and the annual charge of a band C property, please refer to the examples below.

**Example 1:** 327 CTR claimants live in a band D property. Currently, if they are entitled to full CTR, with the restriction at band D they would be liable to pay £254. Restricting CTR to band C would see an increase in the amount payable to £458.

**Example 2:** 57 CTR claimants live in a band F property. Currently, if they are entitled to full CTR, with the restriction at band D they would be liable to pay £959. Restricting CTR to band C would see an increase in the amount payable to £1,163.

	Example 1	Example 2
CTR payable at 20% of a band C charge	282	282
Plus the difference between property band and the band C	176	881
Total payable	458	1,163

*The examples above show the minimum payment due ignoring other reliefs that may be applicable and claimants in receipt of higher income will be required to pay more than stated*