

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