

Appendix C - Impact of New Universal Credit Scheme

1. There are no implications for pensioner claims. This is because pensioners are dealt with under a national scheme prescribed by the Government. The costs of the pensioner scheme are met by the local council.
2. In relation to working age cases, there are gainers and losers arising from the proposed CTS scheme. An overview of the position is set out in table 1.

Table 1: Gainers and losers – overall position

Non benefit Income:	Cases	Average award under current CTS scheme	Average award under proposed scheme	Average gain or loss
Over £150	2,951	£8.51	£3.62	-£4.89
£125.01 - £150	3,039	£8.13	£8.00	-£0.13
£100.01 - £125	1,745	£8.06	£6.43	-£1.63
£75.01 - £100	1,685	£10.44	£10.84	+£0.40
£75.00 and under	1,723	£11.96	£13.04	+£1.08
No income	33,441	£13.50	£13.71	+£0.21
Total weekly cost	44,584	£553,536	£545,424	

3. Working age claims fall into 2 categories:
 - ‘Passported’ claims: these are claims from customers who are getting Income Support, Income-related Employment Support Allowance and income-based Jobseekers Allowance. The term ‘passported’ comes from the fact that these claims are ‘passported’ onto maximum Council Tax Support awards with no income or needs assessment carried out by the council;
 - ‘Standard’ claims: these are claims which are not ‘passported’ and where the Council carries out its own income and needs assessment.
4. **Passported** customers will transfer onto maximum Universal Credit and will, therefore, be entitled to at least the same amount of Council Tax Support as they get at the moment. However, a number of ‘passported’ claims also have non-dependents living with them and, as a result, have non-dependant deductions (NDDs) made from their current CTS award. Under the proposed scheme, there will be no non-dependant deductions so these claims will get more Council Tax Support. The table below shows the number of ‘passported’ claims with non-dependants and the average weekly gain and the additional cost to the council over the year.

Table 2: average weekly gain: removing NDDs

Households with:	Cases	Average weekly gain	Annual cost
1 non dep	596	£4.31	£133,962.82
2 non deps	216	£6.45	£72,611.14
3+ non deps	59	£8.26	£25,401.26
Total	871	-	£231,975.23

5. A more comprehensive breakdown of the 871 claims which gain from the removal of non-dependant deductions is shown below. This shows that the majority of gainers are getting Employment Support Allowance and that single people are the biggest group across the benefits with non-dependant deductions.

Table 3: breakdown off gainers by benefit type

Household:	ESA	Income Support	JSA	Total
Couples	65	12	13	90
Families	36	20	36	92
Lone parents	98	109	63	270
Single people	254	82	83	419
Total	453	223	195	871

6. The main changes happen with **Standard** cases.

- 20% of 'standard' cases will gain as a result of the proposed new scheme. Some will gain as a result of removing non-dependant deductions.

Table 4: overview of 'standard' case gainers

Household	Out of work		In Work		All cases	
	Cases	Average weekly gain	Cases	Average weekly gain	Cases	Average weekly gain
Couples	89	£7.40	144	£6.38	233	£6.77
Families	40	£4.84	583	£3.90	623	£3.96
Lone Parents	115	£5.95	913	£2.89	1028	£3.24
Single People	351	£5.12	306	£3.69	657	£4.45
Total	595	£5.60	1946	£3.58	2541	£4.05

- 30% of 'standard' cases will lose as a result of the proposed new CTS scheme. Table 5 provides an overview of the 'standard' case losers.

Table 5: overview of 'standard' case losers

Household	Out of work		In Work		All cases	
	Cases	Average weekly loss	Cases	Average weekly loss	Cases	Average weekly loss
Couples	4	£5.47	146	£4.05	150	£4.09
Families	7	£4.51	1743	£6.03	1750	£6.02
Lone Parents	26	£6.70	2070	£5.29	2096	£5.31
Single People	30	£6.01	210	£4.57	240	£4.75
Total	67	£6.09	4169	£5.52	4236	£5.53

- 50% of standard cases see minimal change of less than £1 a week with many of these seeing changes of only a few pence a week.
7. Because 'standard' cases are in the main claims form households where the claimant or partner is working, the vast majority of gainers and losers are in-work households. Table 6 below looks at the earnings levels of the gainers and losers. This shows, not unsurprisingly that the gainers are households with the lowest earnings and that the losers are the households with the highest earnings.

Table 6: earnings levels of gainers and losers

Household	Claimants that will gain				Claimants that will lose			
	Employed		Self Employed		Employed		Self Employed	
	Cases	Average net pay	Cases	Average net pay	Cases	Average net pay	Cases	Average net pay
Couples	48	£111.55	38	£95.11	115	£177.37	13	£147.38
Families	236	£147.83	239	£120.42	1,264	£197.65	320	£161.65
Lone Parents	640	£109.37	97	£79.83	1,804	£137.38	143	£105.48
Single	67	£91.64	94	£70.92	124	£128.30	66	£108.07

- Average pay of couples who gain is £52 / £65 lower than those who lose
- Average pay of families who gain is £49/ £41 lower than those who lose
- Average pay of lone parents who gain is £28 / £25 lower than those who lose
- Average pay of single people who gain is £36 / £37 lower than those who lose
- 67 out of work claimants (Table 5) who will lose have an average non-benefit income of £140.10 per week. This is income from occupational or private pensions, maintenance, or a sub-tenant.

- 14 households lose more than £20 a week in CTS under the proposed scheme. An overview of their income and Council Tax banding is provided below

No. dependents	Council Tax Band	Non benefit Income	Loss
3 dep	G	£ 305.84	-£ 28.65
2 dep	F	£ 334.14	-£ 24.03
5+ deps	E	£ 264.97	-£ 22.52
4 dep	E	£ 452.18	-£ 21.52
5+ dep	E	£ 249.09	-£ 20.13
3 dep	D	£ 387.33	-£ 27.26
2 dep	C	£ 307.81	-£ 24.23
4 dep	C	£ 280.97	-£ 23.43
2 dep	C	£ 332.67	-£ 20.07
3 dep	B	£ 284.49	-£ 21.43
1 dep	B	£ 261.42	-£ 21.20
3 dep	B	£ 288.56	-£ 21.20
4 dep	B	£ 251.50	-£ 20.50
1 dep	B	£ 250.00	-£ 20.27