

The impact of the government's proposals for replacing Council Tax Benefit

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Introduction

At the moment lower income households pay a reduced – or in some cases zero – amount of Council Tax through a system of relief called Council Tax Benefit. In last year's spending review the Government announced proposals to localise Council Tax Benefit and reduce spending on it by 10 per cent.

The government have now announced more details of their plans for abolishing Council Tax Benefit and replacing it with a new system of local support for Council Tax¹. The consultation paper confirms the announcement in the spending review that help with Council Tax will not become part of Universal Credit – the new benefit that amalgamates tax credits, out-of-work benefits and Housing Benefit – but will instead remain a local authority responsibility. It also confirms the need for local authorities to save 10% of current expenditure but, importantly, makes clear that pensioners will be excluded from the effect of these cuts.

This paper provides an outline of the government proposals, quantifies the impact of the 10% cut on local authorities and looks at some of the options available for meeting the savings target.

Council Tax Benefit: key facts about the current system

Council Tax Benefit (CTB) provides means-tested help to people on a low income who have to pay Council Tax. For working age people there is a limit on savings of £16,000. If you claim means-tested out-of-work benefits (Income Support, Jobseeker's Allowance and Employment and Support Allowance) you generally receive full assistance, so that you do not pay Council Tax at all. If you are in work or have other income you can still receive CTB but are likely to get less than the full amount, so that your Council Tax bill will be reduced but not eliminated.

A more generous system applies to pensioners. If you claim Pension Credit (guarantee element) there is no limit on the amount of savings you can have and you will normally not pay Council Tax at all. Pensioners with higher incomes can also qualify, even if they do not get Pension Credit, and depending on their circumstances can qualify with an income of £400 a week or more. Around 60% of pensioners are entitled to CTB, though many fail to claim.

Key facts

- Current expenditure on CTB is around £4.8 billion
- Over 5.8 million people claim CTB, more than any other means-tested benefit
- Almost half of CTB claimants (2.7 million) are pensioners
- A quarter of CTB claimants (1.6 million) have dependent children
- A tenth of CTB claimants (0.7 million) are low earners

¹ A consultation paper was launched by the Department for Communities and Local Government on 2nd August. It is available at www.communities.gov.uk/publications/localgovernment/localisingcounciltaxconsult

- On average CTB is worth £820 a year (£15.80 per week)
- Many people do not claim the CTB they are entitled to: around 2.5 million people are missing out on benefits worth £2 billion a year

The government's reform proposals

The government's consultation paper makes the following proposals:

- Help with Council Tax will be a local authority responsibility and will not become part of Universal Credit (as DWP and some commentators have urged)
- The amount provided to local authorities for the new system will be 10% less than current spending on CTB
- Support for pensioners will not be affected by this cut in spending and will remain at existing levels with existing rules
- Local authorities will be free to establish whatever rules they choose for their schemes for working age people (and will administer the scheme for pensioners using national rules)
- Central government will provide a fixed amount of money to local authorities to operate their new schemes. Unlike current arrangements, this central government grant will not be ring-fenced and will not vary according to demand
- New local schemes to provide help with paying Council Tax must be in place by April 2013

The consultation paper only directly affects England and separate proposals are likely to be made in Wales and Scotland. However, the 10% spending reduction affects all parts of Great Britain and in the analysis below and in the Annex it is assumed that Wales and Scotland follow suit in protecting the position of pensioners.

Impact of the expenditure cut

When the new system of local support for Council Tax is introduced in April 2013 the amount provided to local authorities will be reduced by 10% relative to current expenditure on CTB, saving around £480 million a year. However, characterising this as a 10% cut is disingenuous, as pensioners are in effect excluded from the new system. In terms of the population of working age claimants, who are the only ones that can be affected by new rules, the cut is much larger than 10%.

The national picture is shown in the table below. It shows the kinds of people who are currently claiming CTB and how this relates to the savings target of £480 million. Working age people are divided into those who are receiving full CTB, almost all of whom will be claiming claim means-tested out-of-work benefits (Income Support, Jobseeker's Allowance and Employment and Support Allowance), low earners who are receiving some CTB but have to pay some Council Tax themselves, and other people who are receiving some CTB but are not in work.

Summary statistics for Council Tax Benefit in GB; April 2011 estimates²

	Number of recipients	Average weekly award	Expenditure (£, million)	% reduction needed to make £480m savings
Over pension age	2,677,690	£16.01	£2,210	Not applicable
Working age: full CTB	2,182,030	£16.55	£1,880	26%
Working age: some CTB low earner	682,900	£13.66	£490	99%
Working age: some CTB not in work	285,810	£14.34	£210	225%
All working age	3,150,740	£15.72	£2,580	19%
Total	5,828,430	£15.83	£4,800	

The table demonstrates the difficulty of meeting the savings target and the likelihood that money will have to be taken off of people on means-tested benefits. While low earners receive just about enough CTB to meet the earnings target, the government has clearly stated that work incentives should be maintained, and hence it will be difficult to save much from this group (and if work incentives are improved then costs are likely to rise). And the last group, people receiving some CTB who are not in work, do not receive enough CTB in total to make it possible to reach the savings target even if support were withdrawn completely. Hence it is likely that working age claimants getting full CTB will be affected in some way. The table shows that if the pain were spread equally then each working age claimant would see a reduction of 19%, equivalent to losing £150 a year on average.

The table in the Annex provides details of how the proposed cut in expenditure will affect individual local authorities in cash terms and as a % of expenditure on working age claimants. It shows that in 26 authorities cuts of more than 25% will be needed to meet the savings target.

Options for meeting the savings target: 'equal pain'

As shown by the analysis above, local authorities have to make very large savings from working age claimants to meet the government's savings target. One approach to this would be to impose an 'equal pain' rule and reduce all benefit payments by the same proportion (19% on average nationally). However, for those claimants currently getting full CTB this would mean starting to collect Council Tax from a group who currently pay nothing. Moreover, the reason they do not pay anything at the moment is because they qualify for means-tested benefits like Income Support, where by definition the amount of money they have to live on is at 'safety net' levels.

Local authorities have some experience of the difficulty of extracting small amounts of money from people living in poverty. The ill-fated Community Charge (or 'Poll Tax') of the early 1990s imposed a minimum 20% charge on all citizens, whatever their income or status, so that local authorities had to

² For sources see the notes at the end of the Annex

trace and collect money from everyone living in their locality. While the property base for Council Tax will make the task somewhat easier, that experience shows the difficulty with moving away from full rebates for the poorest. Administering the system is likely to be expensive, with many of the 2 million people now expected to pay likely to opt for weekly or monthly payments, and there is always the possibility of mass non-compliance, as occurred with the Poll Tax.

It may therefore make more sense to look at completely removing entitlement to help with Council Tax from some groups. As well as helping with the administrative problems outlined above, this approach has two advantages. First, it means that particularly vulnerable groups, such as people with disabilities or children, can be protected from the cuts. Second, it is the most effective way of increasing work incentives for particular groups, as it will make them poorer when unemployed and no worse-off when in employment.

Options for meeting the savings target: remove entitlement from some groups

There are a number of groups who might be candidates for removing from entitlement altogether. For instance, one possibility would be to restrict eligibility for support to tenants, so that owner occupiers were expected to pay the full amount of Council Tax whatever their circumstances. In terms of collection it might be possible to treat unpaid Council Tax as a charge against the value of the property, so that people who could not pay would effectively find arrears added to their mortgage. And low earning owner-occupiers are one of the main groups to benefit from Universal Credit, enjoying help with mortgage payments where none is available currently, creating a further reason for treating this group less favourably. Around 1.5 million CTB claimants are owner-occupiers, and though the majority of these are likely to be pensioners it is likely that removing entitlement from this group would be just about sufficient to meet the savings target.

However, a criterion based on tenure-type would necessarily affect claimants with children or disabilities, two groups who local authorities would hope to protect (and, in the former case, which they have a statutory duty to protect under child poverty legislation). A more attractive route might therefore be to remove from Council Tax support all working age people who do not meet certain criteria, such as having dependent children, living in a household where someone is disabled, being pregnant or a full-time carer. Such conditions would largely mirror the conditions for claiming Income Support and Employment and Support Allowance, so that in effect claimants of Jobseeker's Allowance would be excluded from the scheme. Nationally around 600,000 people receive full CTB because they are claiming income-based Jobseeker's Allowance, though around 20% of these have dependent children. Subtracting claimants with children, the likely saving nationally from removing Jobseeker's Allowance claimants would be around £420 million, and once savings on working non-disabled childless people are included it is likely that the saving target would be met.

The harshness of such an approach cannot be denied. A single unemployed person without children or disabilities currently receives £67.50 a week to live on, and forcing them to pay Council Tax would reduce this to closer to £50 a week. It is difficult to see how they will make ends meet, and collection of Council Tax from this group is likely to be a severe problem. Nevertheless, maintaining support for people with children or disabilities, and avoiding the potential administrative nightmare of imposing 'equal pain', will necessarily involve making difficult choices such as this.

Options for meeting the savings target: change the tax base

A final option is to persuade the government that the kind of cuts envisaged above are unacceptable and that the parameters of the scheme need to be altered. In particular, the consultation paper makes no mention of localising the current system of Council Tax discounts and disregards. This is against the spirit of the reform, both in terms of allowing councils choice and making for greater simplicity. Though the legislation establishing discounts is separate from that for Council Tax Benefit there is no reason for not including them in the new scheme. Indeed, it is worth remembering that the single person's discount is a remnant of the Community Charge and that, twenty years on from its abolition, there are good reasons for returning to a tax based wholly on property value.

A substantial amount of money could be raised by abolishing automatic discounts for particular categories and wrapping all support into one comprehensive means-tested scheme. By far and away the most important of the current categorical discount is the 25% reduction for single people. Just over a third of Council Tax payers (7.7 million people) qualify for this discount, which is worth roughly £350 a year on average. Even after taking into account its interaction with Council Tax Benefit, abolition of the single person's discount would yield two or three times more than the savings target, money which could then be refunded into more generous work incentives.

In terms of tax theory, it is likely that a wider tax base with lower withdrawal rates will be better for work incentives. The government are keen to maintain the improvement in 'marginal deduction rates' (MDRs) under Universal Credit, which will result in an MDR for very low earners of 65% (rising to 76% when they cross the tax and national insurance threshold). The existing CTB withdrawal rate of 20% would result in these MDRs rising to 85% and 90% respectively, and reducing the taper rate would fit with the government's philosophy. Even so, it is doubtful whether it is possible to persuade the government that, in the interests of encouraging people into work, local control of Council Tax discounts should form part of localisation of Council Tax Benefit.

Summary

The government's consultation paper on localising support for Council Tax has largely confirmed the spending review announcement. In particular, they have rejected the lobby calling for help with Council Tax to become part of Universal Credit. However, the cost of localism is that local authorities will be forced to do much of the government's dirty work on welfare reform. Unless local authorities can collectively persuade government to include nationally-prescribed discounts in the new scheme, they will in effect have to implement cuts of almost 20% on working age claimants.

It will be up to each local authority to determine how cuts are made, and it is possible that they will choose to spread the pain equally on each working age claimant. The administrative difficulties of such an approach may though favour imposing greater cuts on some groups so that others can be protected.

Annex: impact of the expenditure cut by local authority

The table below provides details of how the proposed cut in expenditure on Council Tax Benefit will affect individual local authorities. It is intended to show that, as only working age claimants can be affected by new rules, the cut is much larger than 10% and that where pensioners form a high proportion of existing claimants there will need to be particularly severe cuts to meet the government's savings target. The estimates presented should be treated as indicative, as though they are based on the most recent available data they will be less accurate than local authority administrative data. Notes on how the estimates were derived are at the bottom of the table.

	Total number of CTB claimants	% of working age claimants	Spending on working age claimants (£ millions)	Size of budget cut (£ millions)	% cut in spending on working age claimants
Aberdeen City	16,070	51%	£5.90	£1.15	20%
Aberdeenshire	13,080	36%	£3.18	£0.88	28%
Adur	5,380	45%	£2.34	£0.52	22%
Allerdale	8,840	47%	£3.32	£0.70	21%
Amber Valley	10,720	49%	£4.16	£0.85	20%
Angus	10,210	42%	£2.53	£0.60	24%
Argyll and Bute	8,250	43%	£2.64	£0.61	23%
Arun	13,030	42%	£5.02	£1.20	24%
Ashfield	12,670	55%	£5.52	£1.01	18%
Ashford	8,700	53%	£3.90	£0.73	19%
Aylesbury Vale	9,500	54%	£4.68	£0.87	19%
Babergh	6,150	45%	£2.36	£0.53	22%
Barking and Dagenham	23,300	65%	£13.27	£2.04	15%
Barnet	28,870	60%	£18.32	£3.03	17%
Barnsley	26,760	54%	£10.41	£1.94	19%
Barrow-in-Furness	7,870	52%	£3.37	£0.64	19%
Basildon	17,790	58%	£9.92	£1.71	17%
Basingstoke and Deane	9,430	58%	£4.43	£0.77	17%
Bassetlaw	10,240	49%	£4.44	£0.90	20%
Bath and North East Somerset UA	12,280	51%	£5.19	£1.02	20%
Bedford UA	13,040	58%	£6.86	£1.19	17%
Bexley	17,570	59%	£9.50	£1.61	17%
Birmingham	136,160	58%	£59.68	£10.34	17%
Blaby	5,330	42%	£1.88	£0.45	24%
Blackburn with Darwen UA	18,260	60%	£8.68	£1.44	17%
Blackpool UA	23,550	56%	£10.09	£1.80	18%
Blaenau Gwent / Blaenau Gwent	10,590	55%	£4.15	£0.75	18%
Bolsover	8,320	52%	£3.56	£0.68	19%

Bolton	31,940	55%	£12.84	£2.34	18%
Boston	6,160	46%	£2.04	£0.45	22%
Bournemouth UA	18,430	51%	£7.75	£1.53	20%
Bracknell Forest UA	6,640	59%	£3.24	£0.55	17%
Bradford	53,670	53%	£19.96	£3.75	19%
Braintree	10,930	49%	£4.73	£0.97	20%
Breckland	10,890	43%	£3.78	£0.87	23%
Brent	34,550	64%	£21.32	£3.34	16%
Brentwood	4,330	48%	£2.04	£0.42	21%
Bridgend / Pen-y-bont ar Ogwr	15,180	54%	£5.92	£1.10	19%
Brighton and Hove UA	28,240	60%	£14.90	£2.49	17%
Bristol, City of UA	44,810	62%	£24.37	£3.93	16%
Broadland	7,450	36%	£2.29	£0.64	28%
Bromley	21,030	57%	£10.93	£1.91	18%
Bromsgrove	5,180	38%	£1.77	£0.47	26%
Broxbourne	7,610	57%	£4.17	£0.73	18%
Broxtowe	8,600	48%	£3.54	£0.74	21%
Burnley	11,690	58%	£5.53	£0.96	17%
Bury	17,820	55%	£7.39	£1.35	18%
Caerphilly / Caerffili	20,690	51%	£6.87	£1.34	20%
Calderdale	20,240	54%	£8.93	£1.66	19%
Cambridge	7,240	60%	£3.73	£0.62	17%
Camden	25,880	66%	£18.10	£2.74	15%
Cannock Chase	9,580	52%	£4.09	£0.79	19%
Canterbury	11,640	47%	£4.60	£0.99	21%
Cardiff / Caerdydd	35,310	60%	£15.13	£2.53	17%
Carlisle	9,110	50%	£3.55	£0.70	20%
Carmarthenshire / Sir Gaerfyrddin	18,920	46%	£6.13	£1.32	22%
Castle Point	7,560	43%	£3.03	£0.70	23%
Central Bedfordshire UA	16,570	54%	£8.59	£1.60	19%
Ceredigion / Ceredigion	5,910	43%	£1.92	£0.44	23%
Charnwood	10,570	45%	£4.06	£0.90	22%
Chelmsford	10,230	54%	£4.96	£0.93	19%
Cheltenham	8,410	56%	£3.91	£0.70	18%
Cherwell	8,020	53%	£3.81	£0.72	19%
Cheshire East UA	24,700	49%	£9.71	£1.99	21%
Cheshire West and Chester UA	26,580	51%	£11.05	£2.16	20%
Chesterfield	12,150	54%	£4.96	£0.92	18%
Chichester	7,940	46%	£3.39	£0.75	22%
Chiltern	4,360	53%	£2.33	£0.44	19%
Chorley	7,970	46%	£2.95	£0.64	22%
Christchurch	4,180	41%	£1.69	£0.41	24%

City of London	380	59%	£0.17	£0.03	17%
Clackmannanshire	5,810	60%	£2.21	£0.37	17%
Colchester	13,060	57%	£6.12	£1.08	18%
Conwy / Conwy	12,080	41%	£3.24	£0.78	24%
Copeland	6,860	55%	£2.96	£0.54	18%
Corby	5,950	59%	£2.54	£0.43	17%
Cornwall UA	52,490	45%	£19.03	£4.25	22%
Cotswold	5,260	43%	£2.10	£0.49	23%
County Durham UA	63,130	51%	£26.90	£5.25	20%
Coventry	36,780	58%	£17.06	£2.95	17%
Craven	3,490	34%	£1.01	£0.30	30%
Crawley	9,570	65%	£5.48	£0.84	15%
Croydon	35,150	68%	£23.44	£3.46	15%
Dacorum	9,990	57%	£5.28	£0.93	18%
Darlington UA	11,760	53%	£4.54	£0.86	19%
Dartford	7,020	58%	£3.56	£0.61	17%
Daventry	4,500	50%	£1.79	£0.36	20%
Denbighshire / Sir Ddinbych	10,800	45%	£3.68	£0.82	22%
Derby UA	25,460	57%	£9.98	£1.76	18%
Derbyshire Dales	4,300	40%	£1.60	£0.39	25%
Doncaster	32,650	51%	£11.23	£2.19	20%
Dover	10,820	51%	£4.44	£0.87	20%
Dudley	33,700	48%	£11.45	£2.39	21%
Dumfries and Galloway	14,720	41%	£3.78	£0.93	25%
Dundee City	20,650	55%	£7.59	£1.38	18%
Ealing	30,930	60%	£18.93	£3.13	17%
East Ayrshire	15,840	51%	£5.30	£1.03	19%
East Cambridgeshire	5,140	44%	£1.92	£0.43	23%
East Devon	9,700	40%	£3.41	£0.86	25%
East Dorset	5,170	34%	£1.87	£0.55	30%
East Dunbartonshire	6,290	46%	£2.36	£0.52	22%
East Hampshire	5,500	43%	£2.19	£0.51	23%
East Hertfordshire	6,970	49%	£3.41	£0.70	20%
East Lindsey	15,780	40%	£4.63	£1.16	25%
East Lothian	8,090	46%	£2.65	£0.57	22%
East Northamptonshire	5,840	43%	£1.93	£0.45	23%
East Renfrewshire	5,240	44%	£1.78	£0.41	23%
East Riding of Yorkshire UA	26,980	41%	£9.10	£2.20	24%
East Staffordshire	9,150	54%	£3.89	£0.73	19%
Eastbourne	10,500	52%	£5.00	£0.97	19%
Eastleigh	6,790	49%	£2.73	£0.56	20%
Eden	2,950	42%	£1.06	£0.25	24%

Edinburgh, City of	41,900	61%	£18.76	£3.09	16%
Eilean Siar	3,080	25%	£0.48	£0.19	39%
Elmbridge	6,300	54%	£3.69	£0.68	18%
Enfield	34,890	67%	£23.27	£3.49	15%
Epping Forest	9,030	49%	£4.64	£0.94	20%
Epsom and Ewell	3,290	52%	£1.69	£0.33	19%
Erewash	10,790	53%	£4.29	£0.81	19%
Exeter	9,640	54%	£4.08	£0.75	18%
Falkirk	15,540	51%	£4.61	£0.90	19%
Fareham	5,300	40%	£1.75	£0.44	25%
Fenland	9,510	46%	£3.50	£0.76	22%
Fife	36,650	56%	£12.76	£2.28	18%
Flintshire / Sir y Fflint	13,040	46%	£4.28	£0.92	22%
Forest Heath	4,410	48%	£1.64	£0.34	21%
Forest of Dean	6,730	43%	£2.54	£0.58	23%
Fylde	5,690	38%	£1.85	£0.49	27%
Gateshead	26,990	52%	£11.47	£2.21	19%
Gedling	9,020	51%	£3.90	£0.77	20%
Glasgow City	102,020	57%	£42.65	£7.46	18%
Gloucester	10,700	56%	£4.65	£0.83	18%
Gosport	6,810	57%	£3.04	£0.53	18%
Gravesham	9,020	58%	£4.47	£0.78	17%
Great Yarmouth	13,120	51%	£5.10	£1.01	20%
Greenwich	27,550	67%	£15.25	£2.28	15%
Guildford	6,780	58%	£3.80	£0.66	17%
Gwynedd / Gwynedd	11,150	39%	£3.26	£0.83	26%
Hackney	38,480	72%	£24.22	£3.35	14%
Halton UA	15,400	59%	£6.53	£1.11	17%
Hambleton	5,120	41%	£1.75	£0.43	24%
Hammersmith and Fulham	19,570	66%	£11.63	£1.76	15%
Harborough	3,980	37%	£1.25	£0.34	27%
Haringey	34,150	70%	£26.90	£3.84	14%
Harlow	9,470	63%	£5.43	£0.87	16%
Harrogate	9,090	45%	£3.67	£0.81	22%
Harrow	16,840	50%	£9.80	£1.95	20%
Hart	3,040	50%	£1.41	£0.28	20%
Hartlepool UA	14,860	58%	£7.35	£1.26	17%
Hastings	12,770	59%	£6.68	£1.13	17%
Havant	11,230	51%	£4.93	£0.96	19%
Havering	19,350	53%	£10.14	£1.92	19%
Herefordshire, County of UA	14,350	45%	£5.74	£1.27	22%
Hertsmere	6,880	53%	£3.61	£0.69	19%
High Peak	7,130	51%	£3.04	£0.59	19%

Highland	20,090	46%	£6.30	£1.36	22%
Hillingdon	21,210	62%	£13.61	£2.21	16%
Hinckley and Bosworth	7,130	42%	£2.44	£0.58	24%
Horsham	6,620	49%	£3.09	£0.63	20%
Hounslow	21,780	62%	£13.81	£2.23	16%
Huntingdonshire	9,570	51%	£3.90	£0.76	20%
Hyndburn	9,710	58%	£4.65	£0.81	17%
Inverclyde	11,420	51%	£3.78	£0.74	20%
Ipswich	13,590	58%	£6.70	£1.16	17%
Isle of Anglesey / Ynys Môn	6,990	43%	£1.97	£0.46	23%
Isle of Wight UA	15,210	48%	£6.21	£1.31	21%
Islington	29,520	68%	£20.48	£3.01	15%
Kensington and Chelsea	15,700	61%	£8.28	£1.35	16%
Kettering	7,480	52%	£2.91	£0.56	19%
King's Lynn and West Norfolk	13,870	43%	£4.83	£1.12	23%
Kingston upon Hull, City of UA	39,300	57%	£15.60	£2.74	18%
Kingston upon Thames	9,560	58%	£6.53	£1.13	17%
Kirklees	42,520	57%	£17.66	£3.12	18%
Knowsley	24,900	55%	£10.69	£1.93	18%
Lambeth	35,570	68%	£20.29	£2.97	15%
Lancaster	12,790	48%	£4.94	£1.03	21%
Leeds	76,110	56%	£29.37	£5.21	18%
Leicester UA	39,720	57%	£16.82	£2.95	18%
Lewes	7,920	48%	£3.69	£0.77	21%
Lewisham	33,530	70%	£19.62	£2.80	14%
Lichfield	6,660	43%	£2.48	£0.58	23%
Lincoln	10,440	58%	£4.34	£0.74	17%
Liverpool	74,930	57%	£34.85	£6.10	18%
Luton UA	19,100	61%	£9.04	£1.49	16%
Maidstone	10,670	53%	£5.10	£0.96	19%
Maldon	4,510	44%	£1.84	£0.42	23%
Malvern Hills	5,370	42%	£1.97	£0.47	24%
Manchester	69,540	63%	£30.12	£4.76	16%
Mansfield	11,820	58%	£5.61	£0.96	17%
Medway UA	23,630	60%	£11.15	£1.87	17%
Melton	2,990	46%	£1.10	£0.24	22%
Mendip	8,250	47%	£3.38	£0.71	21%
Merthyr Tydfil / Merthyr Tudful	7,800	57%	£3.08	£0.54	18%
Merton	13,990	59%	£8.81	£1.48	17%
Mid Devon	5,680	44%	£2.20	£0.49	22%
Mid Suffolk	5,410	36%	£1.64	£0.45	28%

Mid Sussex	6,580	47%	£2.90	£0.62	21%
Middlesbrough UA	21,390	61%	£10.36	£1.70	16%
Midlothian	7,450	54%	£2.93	£0.54	18%
Milton Keynes UA	21,090	66%	£10.93	£1.66	15%
Mole Valley	3,910	46%	£1.77	£0.38	22%
Monmouthshire / Sir Fynwy	6,740	47%	£2.65	£0.56	21%
Moray	6,540	36%	£1.51	£0.42	28%
Neath Port Talbot / Castell-nedd Port Talbot	19,460	54%	£7.93	£1.46	18%
New Forest	10,860	40%	£4.03	£1.00	25%
Newark and Sherwood	9,370	51%	£4.27	£0.83	19%
Newcastle upon Tyne	35,210	56%	£15.46	£2.74	18%
Newcastle-under-Lyme	10,900	49%	£4.14	£0.84	20%
Newham	36,460	67%	£20.46	£3.06	15%
Newport / Casnewydd	15,580	53%	£4.73	£0.89	19%
North Ayrshire	19,180	55%	£6.64	£1.21	18%
North Devon	8,580	44%	£3.25	£0.74	23%
North Dorset	4,410	46%	£1.89	£0.41	22%
North East Derbyshire	8,910	45%	£3.37	£0.74	22%
North East Lincolnshire UA	20,060	54%	£8.52	£1.57	18%
North Hertfordshire	9,020	53%	£4.42	£0.83	19%
North Kesteven	7,340	39%	£2.20	£0.56	25%
North Lanarkshire	42,760	51%	£13.81	£2.70	20%
North Lincolnshire UA	16,000	49%	£6.31	£1.30	21%
North Norfolk	9,280	36%	£2.89	£0.80	28%
North Somerset UA	16,440	48%	£6.49	£1.35	21%
North Tyneside	23,320	49%	£8.74	£1.77	20%
North Warwickshire	5,090	44%	£2.07	£0.47	23%
North West Leicestershire	6,940	49%	£2.81	£0.58	21%
Northampton	19,210	58%	£8.48	£1.45	17%
Northumberland UA	29,920	49%	£11.03	£2.27	21%
Norwich	18,000	62%	£8.88	£1.44	16%
Nottingham UA	40,480	64%	£20.08	£3.11	16%
Nuneaton and Bedworth	12,070	54%	£5.58	£1.03	19%
Oadby and Wigston	3,660	39%	£1.18	£0.30	26%
Oldham	26,720	58%	£12.36	£2.13	17%
Orkney Islands	1,380	32%	£0.27	£0.08	31%
Oxford	10,400	62%	£6.29	£1.01	16%
Pembrokeshire / Sir Benfro	11,450	43%	£2.79	£0.65	23%
Pendle	10,210	53%	£4.61	£0.87	19%
Perth and Kinross	10,230	39%	£2.73	£0.70	26%
Peterborough UA	17,200	58%	£6.92	£1.19	17%

Plymouth UA	27,120	58%	£11.52	£2.00	17%
Poole UA	12,080	48%	£4.93	£1.04	21%
Portsmouth UA	19,770	58%	£8.51	£1.46	17%
Powys / Powys	10,320	39%	£2.80	£0.72	26%
Preston	14,080	57%	£6.62	£1.17	18%
Purbeck	3,450	43%	£1.48	£0.35	23%
Reading UA	13,170	64%	£7.16	£1.12	16%
Redbridge	22,700	57%	£12.79	£2.23	17%
Redcar and Cleveland UA	17,830	54%	£7.89	£1.45	18%
Redditch	7,660	55%	£3.52	£0.64	18%
Reigate and Banstead	6,700	51%	£3.40	£0.67	20%
Renfrewshire	20,860	54%	£7.54	£1.41	19%
Rhondda, Cynon, Taff / Rhondda, Cynon, Taf	29,500	52%	£10.40	£1.99	19%
Ribble Valley	2,670	34%	£0.79	£0.23	29%
Richmond upon Thames	10,250	58%	£7.56	£1.30	17%
Richmondshire	2,600	44%	£1.09	£0.25	23%
Rochdale	26,780	58%	£11.66	£2.00	17%
Rochford	5,320	43%	£2.17	£0.51	23%
Rossendale	6,940	50%	£3.01	£0.60	20%
Rother	8,180	42%	£3.37	£0.80	24%
Rotherham	29,120	52%	£11.34	£2.19	19%
Rugby	7,290	54%	£3.29	£0.61	18%
Runnymede	4,530	50%	£2.19	£0.44	20%
Rushcliffe	5,800	45%	£2.31	£0.51	22%
Rushmoor	5,780	56%	£2.68	£0.48	18%
Rutland UA	1,920	45%	£0.81	£0.18	22%
Ryedale	3,530	36%	£1.17	£0.33	28%
Salford	32,440	59%	£15.28	£2.59	17%
Sandwell	43,060	52%	£16.66	£3.20	19%
Scarborough	12,530	47%	£4.95	£1.06	21%
Scottish Borders	10,060	43%	£2.58	£0.60	23%
Sedgemoor	10,370	50%	£4.03	£0.81	20%
Sefton	31,960	48%	£12.20	£2.52	21%
Selby	5,490	49%	£2.18	£0.44	20%
Sevenoaks	6,780	51%	£3.44	£0.67	20%
Sheffield	59,950	51%	£23.30	£4.53	19%
Shepway	11,210	52%	£5.15	£1.00	19%
Shetland Islands	1,310	32%	£0.26	£0.08	32%
Shropshire UA	22,760	41%	£8.09	£1.98	24%
Slough UA	11,460	61%	£6.24	£1.02	16%
Solihull	17,030	52%	£7.09	£1.37	19%
South Ayrshire	12,740	51%	£4.56	£0.90	20%
South Bucks	3,030	46%	£1.47	£0.32	22%

South Cambridgeshire	6,600	47%	£2.74	£0.58	21%
South Derbyshire	6,260	51%	£2.57	£0.51	20%
South Gloucestershire UA	15,390	47%	£6.18	£1.30	21%
South Hams	6,420	45%	£2.63	£0.59	22%
South Holland	7,390	39%	£2.18	£0.56	26%
South Kesteven	9,690	46%	£3.20	£0.70	22%
South Lakeland	6,020	37%	£2.09	£0.56	27%
South Lanarkshire	35,600	48%	£11.07	£2.28	21%
South Norfolk	8,750	44%	£3.35	£0.75	22%
South Northamptonshire	3,650	38%	£1.19	£0.31	26%
South Oxfordshire	5,910	46%	£2.68	£0.59	22%
South Ribble	7,280	46%	£2.84	£0.62	22%
South Somerset	12,070	45%	£4.59	£1.02	22%
South Staffordshire	7,730	38%	£2.44	£0.65	27%
South Tyneside	23,540	53%	£9.02	£1.70	19%
Southampton UA	23,820	60%	£10.84	£1.81	17%
Southend-on-Sea UA	19,050	57%	£8.05	£1.42	18%
Southwark	34,980	68%	£19.13	£2.81	15%
Spelthorne	5,460	54%	£3.09	£0.58	19%
St Albans	6,640	53%	£3.54	£0.67	19%
St Edmundsbury	7,540	48%	£3.01	£0.62	21%
St. Helens	21,650	55%	£8.72	£1.59	18%
Stafford	7,900	44%	£2.71	£0.61	23%
Staffordshire Moorlands	7,060	40%	£2.19	£0.54	25%
Stevenage	7,950	60%	£4.44	£0.75	17%
Stirling	6,780	49%	£2.41	£0.49	20%
Stockport	24,930	52%	£10.93	£2.09	19%
Stockton-on-Tees UA	21,310	57%	£9.24	£1.63	18%
Stoke-on-Trent UA	32,420	58%	£13.32	£2.31	17%
Stratford-on-Avon	7,800	43%	£3.17	£0.74	23%
Stroud	7,600	46%	£3.12	£0.68	22%
Suffolk Coastal	8,310	42%	£2.96	£0.70	24%
Sunderland	38,100	50%	£13.45	£2.68	20%
Surrey Heath	3,420	49%	£1.67	£0.34	20%
Sutton	14,110	60%	£8.47	£1.41	17%
Swale	13,230	56%	£6.13	£1.10	18%
Swansea / Abertawe	27,190	53%	£9.24	£1.74	19%
Swindon UA	16,410	57%	£7.49	£1.32	18%
Tameside	25,990	55%	£10.37	£1.88	18%
Tamworth	7,190	51%	£2.82	£0.55	19%
Tandridge	4,060	49%	£2.04	£0.41	20%
Taunton Deane	8,440	48%	£3.20	£0.66	21%
Teignbridge	10,310	39%	£3.67	£0.93	25%

Telford and Wrekin UA	17,800	57%	£7.81	£1.36	17%
Tendring	17,810	46%	£6.88	£1.49	22%
Test Valley	6,380	45%	£2.41	£0.54	22%
Tewkesbury	5,130	47%	£1.98	£0.42	21%
Thanet	18,410	52%	£7.55	£1.45	19%
The Vale of Glamorgan / Bro Morgannwg	11,080	53%	£4.15	£0.78	19%
Three Rivers	5,160	54%	£2.78	£0.52	19%
Thurrock UA	13,970	59%	£6.26	£1.06	17%
Tonbridge and Malling	7,490	54%	£3.79	£0.71	19%
Torbay UA	17,980	50%	£7.50	£1.51	20%
Torfaen / Tor-faen	10,960	54%	£3.85	£0.72	19%
Torridge	5,980	43%	£2.22	£0.51	23%
Tower Hamlets	34,530	69%	£20.80	£3.01	14%
Trafford	17,870	53%	£6.89	£1.29	19%
Tunbridge Wells	6,940	52%	£3.18	£0.61	19%
Uttlesford	4,030	45%	£1.72	£0.38	22%
Vale of White Horse	5,710	48%	£2.56	£0.53	21%
Wakefield	34,730	55%	£12.78	£2.34	18%
Walsall	35,440	53%	£15.27	£2.86	19%
Waltham Forest	28,180	66%	£17.85	£2.69	15%
Wandsworth	22,810	58%	£6.59	£1.13	17%
Warrington UA	16,950	54%	£7.00	£1.30	19%
Warwick	8,970	49%	£4.07	£0.83	20%
Watford	6,380	60%	£3.89	£0.65	17%
Waveney	12,920	46%	£4.51	£0.97	22%
Waverley	5,880	47%	£2.86	£0.61	21%
Wealden	9,250	42%	£3.99	£0.95	24%
Wellingborough	6,690	50%	£2.42	£0.48	20%
Welwyn Hatfield	7,900	58%	£4.53	£0.78	17%
West Berkshire UA	8,300	54%	£4.37	£0.80	18%
West Devon	4,000	42%	£1.50	£0.36	24%
West Dorset	7,470	43%	£3.05	£0.71	23%
West Dunbartonshire	14,320	55%	£5.75	£1.04	18%
West Lancashire	10,490	46%	£4.29	£0.92	22%
West Lindsey	7,760	48%	£2.84	£0.59	21%
West Lothian	17,240	56%	£5.84	£1.05	18%
West Oxfordshire	5,210	45%	£2.09	£0.46	22%
West Somerset	3,600	43%	£1.39	£0.32	23%
Westminster	23,090	64%	£8.14	£1.28	16%
Weymouth and Portland	6,750	56%	£3.32	£0.60	18%
Wigan	33,130	50%	£12.44	£2.47	20%
Wiltshire UA	29,190	49%	£12.44	£2.55	21%
Winchester	5,920	46%	£2.30	£0.51	22%

Windsor and Maidenhead UA	6,710	46%	£2.90	£0.63	22%
Wirral	39,160	55%	£16.88	£3.08	18%
Woking	4,960	54%	£2.67	£0.49	18%
Wokingham UA	5,160	47%	£2.36	£0.50	21%
Wolverhampton	34,770	56%	£15.81	£2.85	18%
Worcester	8,360	56%	£3.73	£0.66	18%
Worthing	8,510	47%	£3.47	£0.73	21%
Wrexham / Wreccsam	13,370	48%	£4.35	£0.90	21%
Wychavon	7,980	44%	£3.04	£0.70	23%
Wycombe	9,580	54%	£5.04	£0.93	19%
Wyre	10,340	43%	£3.74	£0.87	23%
Wyre Forest	9,860	49%	£4.03	£0.82	20%
York UA	12,990	50%	£5.02	£1.00	20%

Sources:

- Number of CTB claimants: April 2011 data from DWP based on administrative returns from LAs
- Per cent of claimants of working age: Derived from Nov 2010 DWP data for Pension Credit recipients by Local Authority. Nationally the number of over 60 Council Tax Benefit recipients is 99% of the number of Pension Credit recipients, so the number of Pension Credit recipients in each LA is a good proxy. Estimates have been adjusted down by 1% and working age numbers and % derived by subtracting pension age claimants from the total number of CTB recipients
- Spending on working age and size of budget cut: spending in 2009/10 taken from http://statistics.dwp.gov.uk/asd/asd4/index.php?page=hbandctb_expenditure. As the average amount claimed by pensioner households is only slightly higher than the average amount claimed by working age households, the % of working age claimants derived above has been applied to total spending to arrive at spending on working age claimants. The size of the budget cut is 10% of total 2009/10 expenditure.

About the author

Dr Phil Agulnik is a Director of Entitledto Ltd. He is responsible for the entitlement rule-base that underlies Entitledto's benefit calculation products. He has worked as an economist in the Department for Work and Pensions, HM Treasury, the Financial Services Authority and in academia. He has a PhD from the London School of Economics on social security policy.

Entitledto provide benefit calculation and claim software for local authorities, housing associations, charities and the private sector. In December 2009 our public website www.entitledto.co.uk was licensed to the charity Turn2us and in April 2011 our benefits calculator was incorporated into Martin Lewis' site www.moneysavingexpert.com. Our calculators help around 1.5 million people a year identify and claim their benefit entitlements.