

Distributional Impact of the Council Tax Freeze

Summary

The table below present the estimated average impact of the council tax freeze by income decile in 2011/12. In relative terms, households in the bottom deciles are estimated to see the greatest benefit as a proportion of their net income, on average.

Average Annual Impact of the Council Tax Freeze by Income Decile										
% of Net Household Income										
	Income Decile									
	Bottom 10%	Decile 2	Decile 3	Decile 4	Decile 5	Decile 6	Decile 7	Decile 8	Decile 9	Top 10%
2011/12	0.8%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%	0.3%

The analysis above has been produced using a micro-simulation model of the UK tax and benefit system and household level data from the Family Resource Survey (FRS). The analysis assumes that in the absence of the freeze, council tax would have grown by 3.2% a year, consistent with the assumptions made when the policy was implemented.

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