

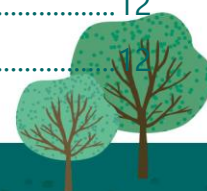


# Council Tax Reduction consultation toolkit – West Surrey

Frequently Asked Questions



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# Frequently Asked Questions

## 1. What is Council Tax Reduction?

Council Tax Reduction, or CTR, reduces the Council Tax bill of people on low incomes. It is credited directly to the Council Tax account. It is not paid to the claimant as cash.

The amount of CTR awarded depends on the household's income, savings, circumstances, and the rules of the local scheme. Each local authority that bills and collects Council Tax is required to have its own CTR scheme for working-age residents. For pension-age residents, there is a national scheme.

## 2. Who is this consultation about?

The consultation is about the proposed CTR scheme for working-age residents. Support for people who have reached State Pension age is governed by national rules and is not being changed through this consultation. [Find out more information on the Pension Age CTR here.](#)

## 3. Why does West Surrey need a new scheme?

West Surrey Council is expected to operate one working-age CTR scheme from 1 April 2027. It will replace the six schemes currently used by Guildford, Runnymede, Spelthorne, Surrey Heath, Waverley, and Woking.

Those schemes use different rules and, in some areas, different ways of calculating support. Residents with similar incomes and household circumstances can therefore receive different amounts of support depending on where they live. The new Council needs one clear and consistent approach for the whole West Surrey area.

## 4. Why not keep the six existing schemes?

Keeping six schemes would continue different treatment based on legacy geography and would make the service more complex to administer and explain. The purpose of harmonisation is to design one coherent scheme for West Surrey, while recognising that households begin from different legacy rules and may experience the change differently.

## 5. Has the new scheme already been decided?

No. The Council must consult on a draft scheme so that people can understand the proposals and respond meaningfully. The draft is a proposal, not a final decision. Individual features or the overall design may change after consultation.

## 6. What does the draft scheme propose?

- a maximum award of 85% of eligible Council Tax, meaning all working age households would be asked to pay a minimum of 15% of their council tax bill



- support limited to Council Tax Band D, meaning households in council tax bands E, F, G, and H will need to pay the difference in charge above a Band D.
- a £6,000 capital limit, meaning any household with savings or capital above this limit will not qualify for CTR. Capital does not include the house someone lives in.
- a conventional means test with a 20% taper, this means that support is reduced at a rate of 20p for every pound over an assessed amount for that household.
- a standard £10 per week non-dependant deduction. Non-dependants are other adults, usually grown sons or daughters living with their parents. A non-dependant deduction reduces CTR by £10 per week for each other adult in the property.
- a Minimum Income Floor for established self-employed claimants after a 12-month start-up period; this means that after 12 months, if a self-employed claimant's new business has not reached a level of income equivalent to 35 hours per week at the national minimum wage, their income will be assessed at this level.
- a Universal Credit change buffer intended to reduce repeated small or late recalculations;
- up to three months backdating;

The next section provides more information on each of the elements of the proposed draft scheme.

## How the draft scheme would work

### 7. What does a maximum award of 85% mean?

A maximum award of 85% means that all working age CTR claimants will receive a bill for at least 15% of their council tax.

The maximum level of support in the six existing West Surrey schemes currently ranges from 75% to 100%.

### 8. What is a means test and a 20% taper?

A means test compares the household's assessed income with an 'applicable amount'. The applicable amount is a needs allowance based on household circumstances and can include relevant family, disability, and carer amounts.

#### A simple example of how the means test works

An applicable amount is an assessment of how much money a household needs for its basic weekly living costs. It is not a payment or a limit on what the household can earn.

For this simplified example, a household consists of two working-age adults and two children, none of whom are disabled. The figures are deliberately rounded.



**Table 1: Rounded applicable amount used in the example**

| Household allowance            | Rounded weekly amount |
|--------------------------------|-----------------------|
| Allowance for the couple       | £150                  |
| Allowance for the first child  | £100                  |
| Allowance for the second child | £100                  |
| Applicable amount              | £350                  |

Suppose the family has an assessed weekly income of **£400**, after any income that the scheme says should be ignored.

Their income is therefore **£50 above** their applicable amount:

£400 income - £350 applicable amount = £50 excess income

Under the draft scheme, CTR would be reduced by 20p for every £1 of excess income:

£50 x 20% = £10

If the family's eligible Council Tax were £40 a week, it lived in Band D or below, and no other deduction applied, the calculation would be:

**Table 2: Illustrative weekly Council Tax Reduction calculation**

| Calculation                            | Weekly amount |
|----------------------------------------|---------------|
| Eligible Council Tax                   | £40           |
| Maximum CTR at 85%                     | £34           |
| Reduction for excess income            | £10           |
| Council Tax Reduction awarded          | £24           |
| Council Tax left for the family to pay | £16           |

If the family's assessed income were no higher than its applicable amount, it could receive the maximum award of £34 a week and would have £6 a week to pay in this example.

*This is a simplified illustration using rounded figures. An actual assessment would use the rates in force at the time and would take account of the household's precise income and circumstances.*

## 9. How would the Council Tax Band D cap work?

Council Tax properties are placed in Bands A to H. The draft scheme proposes that CTR for a property in Bands E to H would be calculated using no more than the equivalent Band D Council Tax amount.

A household in Bands E to H would therefore be responsible for the 15% minimum contribution on the Band D amount plus the whole difference between the Band D charge and its actual higher-band charge. Its bill could be higher still if an income taper, non-dependant deduction, or another rule reduced its award.

Based on the simple average of current 2026/27 Band D Council Tax across the six West Surrey legacy areas (£2,559.13). The table below is an illustration of the 85% maximum award and Band D cap using existing rates, not a proposed 2027/28 harmonised Council Tax schedule.

| Council Tax band | Illustrative current annual CT | Maximum CTR under Option 4 | Minimum annual CT bill | Effective minimum share of full bill | Current CTR caseload |
|------------------|--------------------------------|----------------------------|------------------------|--------------------------------------|----------------------|
| A                | £1,706.09                      | £1,450.18                  | £255.91                | 15.0%                                | 361                  |
| B                | £1,990.44                      | £1,691.87                  | £298.57                | 15.0%                                | 2,247                |
| C                | £2,274.79                      | £1,933.57                  | £341.22                | 15.0%                                | 5,199                |
| D                | £2,559.13                      | £2,175.26                  | £383.87                | 15.0%                                | 3,536                |
| E                | £3,127.83                      | £2,175.26                  | £952.57                | 30.5%                                | 681                  |
| F                | £3,696.53                      | £2,175.26                  | £1,521.26              | 41.2%                                | 91                   |
| G                | £4,265.22                      | £2,175.26                  | £2,089.96              | 49.0%                                | 53                   |
| H                | £5,118.27                      | £2,175.26                  | £2,943.00              | 57.5%                                | 6                    |

For Bands A-D, the minimum liability is 15% of the illustrative current Council Tax charge. For Bands E-H, CTR is capped at 85% of the Band D amount, so the household retains both the 15% Band D contribution and the full difference between its actual band and Band D. Actual bills vary within legacy areas, including because of parish and local precepts.

## 10. How would savings and capital be treated?

The home in which a claimant lives is not counted as capital. Capital can include money in bank and savings accounts, cash, Premium Bonds, stocks and shares, and property other than the claimant's home. Some types of capital are disregarded under scheme rules.

The draft proposes an upper capital limit of £6,000. A working-age household with more than £6,000 in capital would not qualify for CTR.

In the current caseload, 149 existing CTR recipients have recorded capital above £6,000. Under the draft scheme, those households would lose their current CTR entitlement because of the £6,000 threshold.

## 11. What is a non-dependant deduction?

A non-dependant is another adult living in the claimant's home, such as an adult son, daughter, relative, or friend. A partner, tenant, lodger, or paid carer would not normally be treated as a non-dependant.

CTR schemes can reduce an award on the assumption that another adult may contribute towards the Council Tax bill. The draft proposes a deduction of £10 a week for each non-dependant.

There are currently 2,060 West Surrey CTR households with at least one non-dependant. The modelling identifies 811 households that would receive less CTR because the proposed deduction is higher than their current modelled deduction.

## 12. How would self-employed income be treated and what is a Minimum Income Floor?

The draft scheme proposes a 12-month start-up period during which a new self-employed business would not normally be subject to a Minimum Income Floor. A Minimum Income Floor is an assumed minimum earnings based on the National Minimum Wage or National Living Wage for your age working 35 hours a week.

After the 12-month start-up period, a self-employed claimant whose earnings are below that floor would normally be treated as if they earn the Minimum Income Floor.

## 13. Will every Universal Credit change alter a CTR award?

In some CTR schemes, a change to Universal Credit can prompt a change in CTR and a new Council Tax bill. Repeated recalculations can make it difficult for residents to keep up with how much Council Tax to pay and create avoidable administration.

The draft scheme proposes that a Universal Credit change would not automatically trigger a CTR recalculation where the Universal Credit amount used in the calculation changes by less than £100, or the relevant assessment period began more than 50 days before the Council received notification.

A claimant could ask the Council to take a change into account, and the Council would retain the ability to revise an award where appropriate.



## 14. Could a claim be backdated?

The draft scheme proposes backdating of up to three months where the qualifying conditions are met and entitlement for the earlier period can be established.

# Household impacts and protections

## 15. How much would the draft scheme cost?

The six existing schemes provide about £19.44 million of working-age CTR a year. The draft proposal is modelled at around £16.30 million, around £3.13 million less than the existing arrangements. This is a reduction of around 16.1% in CTR expenditure.

This is not the final cost because the CTR scheme has not yet been decided and the Council Tax charges applying in 2027/28 have not yet been set. Scheme changes after consultation, caseload changes, and final transitional-protection arrangements may alter the overall cost.

## 16. Does lower CTR expenditure mean the Council will collect the same amount in additional Council Tax?

No. Lower CTR expenditure means that more Council Tax is billed to affected low-income households. It is not a guaranteed cash saving or the same as additional income collected. Actual collection will depend on affordability, payment, arrears, recovery costs, hardship, household changes, and write-off.

## 17. How many current households could receive more or less support?

The core modelling indicates that 1,349 current households, 11.1% of the caseload, would receive more CTR; 10,683 households, 87.8%, would receive less; and 142 households, 1.2%, would be broadly unchanged.

These are comparisons using the current caseload and current Council Tax charges. They are not final individual award notices and do not include every additional draft provision or the effect of transitional protection.



**Table 3: Modelled household impacts by current council area**

| Current council area | Current CTR households | Receive more  | Receive less   | Broadly unchanged |
|----------------------|------------------------|---------------|----------------|-------------------|
| Guildford            | 1,750                  | 13 (0.7%)     | 1,733 (99.0%)  | 4 (0.2%)          |
| Runnymede            | 1,993                  | 512 (25.7%)   | 1,428 (71.7%)  | 53 (2.7%)         |
| Spelthorne           | 2,545                  | 591 (23.2%)   | 1,919 (75.4%)  | 35 (1.4%)         |
| Surrey Heath         | 1,409                  | 226 (16.0%)   | 1,154 (81.9%)  | 29 (2.1%)         |
| Waverley             | 2,265                  | 1 (<0.1%)     | 2,243 (99.0%)  | 21 (0.9%)         |
| Woking               | 2,212                  | 6 (0.3%)      | 2,206 (99.7%)  | 0                 |
| West Surrey          | 12,174                 | 1,349 (11.1%) | 10,683 (87.8%) | 142 (1.2%)        |

*Figures show material changes of more than £1 a month in the core draft model. Percentages may not sum to 100% because of rounding.*

## 18. Why would households receive less, and why does this vary by area?

Guildford, Waverley, and Woking currently provide a 100% maximum, so moving to 85% produces a reduction for nearly all current claimants in those areas. Runnymede, Spelthorne, and Surrey Heath have lower maximums or different assessment methods, so their results include a mixture of increases and reductions.

The Band D cap, £6,000 capital limit, £10 non-dependant deduction, and movement from income bands to a taper-based calculation create further changes for particular households.

## 19. Can the Council tell me exactly how my household would be affected?

The modelling and worked examples can show how different rules affect typical circumstances, but an individual award depends on the final scheme, the household's circumstances, and the Council Tax charge applying in 2027/28. No final scheme has yet been agreed, so the consultation cannot provide a final personal award calculation.



## 20. What is transitional protection?

Transitional protection is temporary additional support intended to help some existing claimants adjust when the method used to calculate their CTR changes as part of harmonisation.

Transitional protection is not intended to reimburse the general reduction caused by the proposed scheme changes. The final protected group, duration, method of reducing protection over time, and cost have not yet been decided. They will be informed by this consultation, updated modelling, equality evidence, affordability, and legal and operational advice.

## 21. How are equality impacts being considered?

A consultation-stage Equality Impact Assessment accompanies the draft scheme. It considers how the proposals may affect people with protected characteristics and other relevant groups, including disabled people, carers, families with children, people in and out of work, and households with non-dependants.

Consultation responses and optional equality-monitoring information will be used alongside refreshed modelling to update the assessment before the final decision. This will include further consideration of disability-related impacts, families affected by the Band D cap, and the interaction between disability and non-dependant deductions.

## 22. What help would be available if someone faced exceptional hardship?

The council will retain a separate route for exceptional hardship. Detailed arrangements will be set out by the Council. Discretionary hardship support is intended for exceptional individual circumstances.

## 23. Will the proposals change my current award immediately?

This is a consultation on a scheme intended to begin on 1 April 2027. Current awards continue under the existing local rules unless and until a new scheme is approved and takes effect on 1 April 2027.

## 24. What if I disagree with a future CTR decision about my household?

The final scheme will retain the statutory review and appeal process. A claimant can ask the Council to reconsider a CTR decision and give reasons. If the matter is not resolved, or the Council does not respond within the statutory period, the claimant can appeal to the Valuation Tribunal. The final scheme and decision notices will explain the detailed process and time limits.



# Taking part and what happens next

## 25. Were other scheme options considered?

Yes. Five options were modelled. Four tested means-tested schemes with maximum support of 100%, 95%, 90%, and 85%. A fifth tested an alternative income-banded design. The options also allowed the Council to compare the cost, residual Council Tax, and distribution of household impacts.

The 85% means-tested option has been put forward as the draft proposal for consultation. It is not the final decision. The questionnaire asks about individual features, additional protection, funding choices, alternatives, and unintended consequences.

## 26. Who can respond?

Anyone with an interest can respond, including current or former CTR claimants, Council Tax payers, carers, residents, voluntary and community organisations, advice services, housing organisations, and groups representing people who may be affected. Personal and organisational responses will be analysed separately.

## 27. How can I respond?

The consultation will run until 3rd December 2026. The main response route will be the West Surrey consultation page. Paper and postal questionnaires, telephone-assisted completion, email and written submissions, and accessible formats will also be available. [Further details on the consultation can be found here](#), and can be contacted [by emailing ctrswestsurrey@surreylgrhub.gov.uk](mailto:ctrswestsurrey@surreylgrhub.gov.uk)

## 28. Will support be available if I cannot use the online questionnaire?

Yes. Details of how to request help, an alternative format, or a reasonable adjustment will be available through the consultation page and Council contact routes.

## 29. Will my response affect my CTR claim or Council Tax account?

No. Consultation responses cannot be used to identify any individual, decide an individual's entitlement, and will not affect an existing CTR award or Council Tax account. Profile and equality questions are optional. The consultation privacy notice will explain how information is used, stored, retained, and protected. [The privacy policy can be found here](#).



## 30. How will the Council use the responses?

The consultation is not a referendum. The Council will report how many people selected each response option, but decisions will not be made by counting responses alone. It will also examine the reasons given, personal experiences, organisational evidence, equality impacts, alternative proposals, and suggested safeguards.

The findings will be considered alongside updated financial and household modelling, the final Equality Impact Assessment, legal advice, collection implications, affordability, and practical delivery. The Council will publish the consultation findings and explain how the evidence influenced the final decision.

## 31. When will the final scheme be decided and introduced?

The final scheme will be considered after the consultation has closed and the responses have been analysed. The Council expects the final decision to be made in January 2027. The proposed implementation date is 1 April 2027.

The decision report will set out the final proposal, consultation findings, equality assessment, financial implications, and any transitional protection or other safeguards.

