



Council Tax Reduction consultation toolkit – West Surrey

Glossary of terms



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Purpose

This glossary explains the terms used in the West Surrey Council Tax Reduction consultation and the East Surrey and West Surrey Council Tax Reduction harmonisation programme.

Glossary

Table 1: Alphabetical glossary of Council Tax Reduction terms

Term	Plain-English meaning
A	
Annualised award	A Council Tax Reduction award converted to a full-year equivalent for comparison or modelling. It is an analytical measure, not necessarily the amount actually awarded or collected during the year.
Applicable amount	A figure used in a detailed means-tested scheme to represent the income a household is treated as needing, based on its circumstances. It can include personal allowances and additional premiums. It is a calculation figure, not a payment or a general measure of the cost of living.
Applicant, claimant, or recipient	Terms used for the person who applies for Council Tax Reduction or receives an award. The reports generally use 'household' or 'recipient' when discussing caseload impacts, because an award can reflect the circumstances of more than one person.
Assessment period	The period of income or circumstances used to calculate an award. A scheme may use weekly, monthly, or averaged information, and may use a different approach for earnings, self-employed income, or Universal Credit cases.
Award	The amount of Council Tax Reduction credited to a Council Tax account. It reduces the bill; it is not paid to the resident as cash.
B	
Backdating	Starting an award from a date before the claim or request was made. The permitted period and any requirement to show good cause depend on the applicable pension-age or working-age rules.

Term	Plain-English meaning
Band cap	A limit on the Council Tax band used in the calculation. For example, under a Band D cap, a household in Band E, F, G, or H may have support calculated using no more than the Band D charge. The household remains eligible, but the amount above the cap is not covered.
Band exclusion	A rule that prevents specified higher-band properties from qualifying under the working-age scheme, subject to any stated exceptions. This is more restrictive than a band cap, which still allows support calculated at a lower band.
Baseline	The current scheme, caseload, or award position against which a new option is compared. In this project, each legacy scheme is a starting position for modelling, not a preferred design.
C	
Capital	Money and assets other than ordinary income, such as savings, investments, and property other than the home occupied by the household. Some capital is ignored. Capital above a lower threshold may be treated as producing tariff income, and capital above an upper limit may end entitlement. Notional capital is covered separately below.
Capital limit	The upper amount of assessable capital above which a household will not normally qualify for Council Tax Reduction. The amount and exceptions depend on the scheme. This is different from the lower threshold at which tariff income may begin.
Caseload	The number of live Council Tax Reduction cases or households at a stated date. It counts awards or household records, not the total number of people living in those households.
Cliff edge	A point at which a small change in income, capital, or circumstances produces a relatively large and immediate change in support. A fixed income-band boundary or an absolute capital limit can create a cliff edge.
Collection Fund	The statutory account through which Council Tax and business rates income is accounted for and distributed between the billing authority and the bodies entitled to a share. Changes to Council Tax Reduction can affect the Collection Fund because they change the amount of Council Tax available to collect.

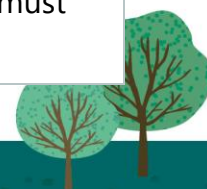
Term	Plain-English meaning
Collection rate	The proportion of the net collectible debit for a financial year that is collected by the end of that year. It is an important operational measure, but it does not show the full amount ultimately recovered because collection continues after the year ends.
Council Tax band	The valuation band, from A to H in England, assigned to a domestic property. The band helps determine the gross Council Tax charge before discounts, exemptions, and Council Tax Reduction are applied.
Council Tax harmonisation	The process of aligning Council Tax charge levels across predecessor areas after local government reorganisation. It is separate from CTRS harmonisation, although the two can affect the same household's final bill at the same time.
Council Tax liability	The amount for which a person is legally responsible for a property and period. In the project reports, this normally means the charge after other relevant discounts or exemptions but before Council Tax Reduction is applied, unless the context states otherwise.
CTR, CTS, and CTRS	CTR: Council Tax Reduction. The reduction credited to an eligible household's Council Tax bill. CTS: Council Tax Support. A commonly used alternative name for Council Tax Reduction. CTRS: Council Tax Reduction Scheme, sometimes called a Council Tax Support Scheme. This means the full set of local rules used to decide eligibility and calculate awards. In all cases: the support reduces Council Tax liability; it is not a cash benefit paid directly to the resident.
D	
Default Scheme	The statutory scheme set out in the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012. It originally provided the scheme that would apply if a billing authority did not make its own scheme. It is also used as a technical reference point. See also 'Default-style scheme'.



Term	Plain-English meaning
Default-style scheme	A locally adopted, detailed means-tested scheme based broadly on the former Council Tax Benefit structure and the statutory Default Scheme, usually with local modifications. 'Default-style' describes the calculation method; it does not mean that the council has made no policy choice.
Discount-based scheme	A broad description of a scheme that awards defined percentage or cash reductions according to household or income categories. An income-banded scheme will often also be discount-based.
Disregard	Income or capital that the scheme directs the council to leave out of the assessment. Disregards can protect specified sources of income, a portion of earnings, or particular assets. The type and amount of each disregard are scheme-specific.
E	
Earned income	Income from employment or self-employment. The scheme will specify which deductions, such as tax, National Insurance, pension contributions, or permitted business expenses, are made before the income is assessed.
Earnings disregard	An amount of earnings ignored before the remaining earnings are used in the calculation. It can improve work incentives and may vary according to household circumstances.
Effective date	The date from which a new award or a change in an existing award takes effect. It can depend on when the claim was made, when a change occurred or was reported, and the scheme's rules for weekly or monthly assessment.
Eligible Council Tax	The part of a household's Council Tax liability used as the starting point for the CTR calculation. It may be lower than the gross bill after other discounts, exemptions, apportionment, or a Council Tax band restriction has been applied.
Equality Impact Assessment (EqIA)	A structured assessment of how a proposal may affect people with protected characteristics and other relevant groups. It supports decision-making and the Public Sector Equality Duty. It develops with the evidence and is not a pass or fail test.
Excess income	In a means-tested scheme, the amount by which assessed income exceeds the applicable amount. A taper is normally applied to the excess income to calculate how much support is withdrawn.

Term	Plain-English meaning
G	
Gross Council Tax	The Council Tax charge before discounts, exemptions, Council Tax Reduction, or other reductions are applied. This can change through Council Tax harmonisation even if the CTR rules remain unchanged.
H	
Hardship or discretionary support	Additional, usually targeted help for households experiencing financial difficulty. It may sit alongside the main CTR scheme and can provide a safety net or mitigation, but it is not the same as an automatic entitlement under the core scheme rules.
Harmonisation of CTR schemes	The replacement of the inherited legacy schemes with one new working-age scheme for each new authority. It means designing a coherent scheme from a common evidence base, not averaging the old rules or selecting one predecessor scheme as the preferred model.
Household impact	The estimated change for a household when a modelled option is compared with the baseline. A household may be better off, worse off, or unchanged in CTR terms. The figure is an estimate based on the available data and assumptions, not a decision or a guarantee of a future bill.
Housing tenure: owner occupier, private rented sector, and social rented sector	Owner occupier: the household owns its home outright or with a mortgage or loan. Shared ownership may be shown separately in some datasets. Private rented sector: the household rents from a private landlord or letting agent. Social rented sector: the household rents from a council, housing association, or other registered social landlord. Why it matters: tenure does not by itself determine CTR entitlement, but it can help the equality and household analysis explain different circumstances and patterns of impact.
I	
Income	Money coming into the household that the scheme may take into account. It can include earned income and unearned income. Each scheme specifies what is counted, what is disregarded, whether gross or net figures are used, and whose income is included.

Term	Plain-English meaning
Income assessment	The method used to identify, convert, average, and count household income for CTR. It includes the treatment of earnings, benefits, pensions, self-employment, Universal Credit information, disregards, and any assumed or notional income.
Income-banded scheme	A scheme that places a household into an income band and awards the fixed level or percentage of support assigned to that band. It can be simpler to explain and administer, but the boundaries between bands can create cliff edges.
L	
Legacy area and legacy scheme	A predecessor district or borough area and the CTR scheme currently operating there. The legacy schemes are the baselines from which households will move when a new East Surrey or West Surrey scheme begins.
Liable person	The person legally responsible for paying Council Tax on a dwelling. CTR can reduce that person's liability if the relevant eligibility and scheme rules are met.
M	
Major preceptor	A public body entitled to issue a Council Tax precept that forms part of the total bill. Major preceptors share the financial effect of CTR through the Collection Fund. The relevant statutory consultees are confirmed through the formal legal and finance process.
Maximum support	The highest proportion of eligible Council Tax that the scheme can cover before the household's income, capital, non-dependants, band restriction, or other rules are applied. A 100% maximum does not mean every eligible household will have nothing to pay.
Means-tested scheme	A scheme that calculates support by comparing household needs, income, capital, and eligible Council Tax. In a default-style scheme, a taper normally reduces support where income exceeds the applicable amount.
Minimum award	A rule under which an otherwise calculated award is not made if it falls below a stated amount. It is different from a minimum payment, which is the share of Council Tax the household must meet.



Term	Plain-English meaning
Minimum Income Floor (MIF)	An assumed level of earnings that may be used for some self-employed people instead of, or as a minimum beneath, their actual profit. A CTR scheme can adopt its own MIF rule or use information derived from Universal Credit. The detail and exceptions are scheme-specific.
Minimum payment	The minimum headline share of eligible Council Tax that a working-age household must pay even at the lowest income. It is often the inverse of maximum support. The final residual bill can be higher after a band cap, taper, non-dependant deduction, or other rule.
Mixed-age couple	A couple in which one partner has reached the qualifying age for State Pension Credit and the other has not. The CTR treatment can depend on the applicable scheme rules and, in some schemes, whether Universal Credit or another relevant benefit is in payment.
Modelled option	A possible scheme design tested against the baseline data. Modelling estimates cost, household, equality, collection, and operational effects. An option being modelled, shortlisted, or described as a draft preferred option does not mean that it has been decided.
N	
Net collectible debit (NCD)	The total Council Tax that should be collected for a financial year if everyone liable pays what they are required to pay. It is the denominator used for the in-year collection rate and reflects relevant reductions and adjustments to bills.
Non-dependant and non-dependant deduction	A non-dependant is an adult who normally lives in the claimant's home but is not their partner and is not treated as a tenant, subtenant, or boarder under the scheme. The scheme may reduce the award on the assumption that this adult contributes towards household costs. The deduction and exemptions vary by scheme.
Notional income and notional capital	Income or capital that the scheme treats a person as having even though it is not actually received or held, for example where it was deliberately given up or an available source was not taken. The rules and safeguards are tightly defined. Notional income is different from tariff income, which is an assumed return on capital actually held.

Term	Plain-English meaning
P	
Passported claimant	A claimant receiving a specified means-tested benefit whose CTR is assessed through a simplified or maximum-support route, subject to the scheme's other restrictions. Universal Credit is not automatically a passporting benefit unless the local scheme says that it is.
Pension-age scheme	The CTR rules for applicants who fall within the pension-age provisions. These rules are prescribed nationally to a much greater extent than the working-age scheme, so the council has substantially less discretion over their design.
Premium	An additional amount included in an applicable amount to recognise specified circumstances, such as disability or caring responsibilities. A premium can increase the level of income a household may have before support starts to reduce. It is not a separate cash payment.
Protected characteristics	The characteristics listed in the Equality Act 2010: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. They are relevant to equality analysis and are not the same as a CTR scheme's protected groups.
Protected group	A category defined by a CTR scheme to receive more generous treatment or an exception from a general rule. Depending on the scheme, this may relate to disability, caring responsibilities, war pensions, children, or other circumstances. It is a local policy term, and no common Surrey definition has yet been decided.
Public Sector Equality Duty (PSED)	The duty on the councils to have due regard to eliminating unlawful discrimination, advancing equality of opportunity, and fostering good relations when developing and deciding the schemes. It requires active, informed consideration; it does not prescribe one particular policy outcome.
R	
Residual Council Tax	The amount of the Council Tax bill left for the household to pay after CTR and any other relevant reductions have been applied. This is the clearest measure of the direct Council Tax amount remaining, but it does not include the household's wider income or living costs.

Term	Plain-English meaning
S	
Second Adult Rebate	An alternative form of Council Tax Reduction based mainly on the income and circumstances of another adult who lives with the liable person and is not their partner. It can help where the liable person does not qualify under the main means test. Its availability in working-age schemes varies.
Self-employed income	Income normally based on net profit over a representative period after permitted business expenses and other scheme deductions. The scheme may average fluctuating income and may apply a Minimum Income Floor or special start-up rules.
T	
Taper	The rate at which support reduces when assessed income exceeds the applicable amount. For example, a 20% taper generally reduces weekly support by 20 pence for each £1 of excess weekly income, before any other relevant rules are applied.



Table 1: Alphabetical glossary of Council Tax Reduction terms (continued)

Term	Plain-English meaning
T	
Tariff income	An assumed weekly income applied to capital within a specified range. It does not represent the interest or investment return actually received. It is distinct from notional income and from an upper capital limit.
Tax base	A measure of the Council Tax-bearing capacity of an area, normally expressed as the equivalent number of Band D properties after relevant adjustments. It is used in setting Council Tax and is not the same as the number of homes, the CTR caseload, or the net collectible debit.
Transitional protection	Temporary protection that limits or phases in a reduction in support when households move from one scheme to another. It can reduce immediate losses but has cost, duration, fairness, and administrative implications. It is separate from a continuing protected-group rule.
U	
Unearned income	Income not received as pay from work, such as pensions, maintenance, investment or rental income, and benefits. The scheme determines which sources are counted in full, partly disregarded, or ignored.
Universal Credit (UC) treatment	The rules used to translate Universal Credit information into a CTR assessment. CTR is administered separately by the council. Schemes can differ in their use of the UC award, earnings, assessment periods, changes, and the Minimum Income Floor.
Up-rating	The periodic increase or revision of scheme figures, such as allowances, premiums, income bands, disregards, deductions, and capital thresholds. A scheme must state how and when its figures are updated; up-rating is not necessarily automatic.
W	
Working-age scheme	The locally determined part of CTR for applicants who fall within the working-age rules. This is where the main Surrey harmonisation choices arise, subject to statutory requirements and the council's wider legal duties.

