

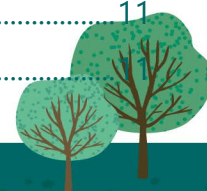
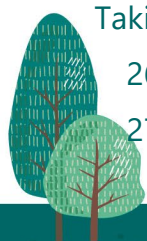


Council Tax Reduction consultation toolkit – East Surrey

Frequently Asked Questions



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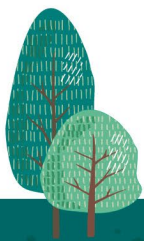
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Frequently Asked Questions

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 East Surrey need a new scheme?

East Surrey Council will operate one working-age CTR scheme from 1 April 2027. It will replace the five schemes currently used by Elmbridge, Epsom and Ewell, Mole Valley, Reigate and Banstead, and Tandridge.

Those schemes use different rules. 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 East Surrey area.

4. Why not keep the five existing schemes?

Keeping five 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 East 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?

- Up to 100% support towards eligible Council Tax.
- No Council Tax band cap.
- A £16,000 capital limit, with no tariff income on capital at or below that limit and no award for homes with capital above this limit



- A standard 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 £5 weekly minimum award.
- A common approach to Universal Credit, including a buffer for some small or late-reported changes.
- 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.
- Up to three months' backdating where the conditions are met, and alignment with new Universal Credit claims where appropriate.
- Time-limited transitional protection for some existing claimants who would otherwise experience a significant reduction.

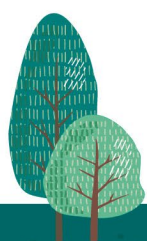
The next section provides more information on each of the elements of the proposed draft scheme.

How the draft scheme would work

7. What does a maximum award of 100% mean?

A household whose income is no higher than its assessed needs could receive support towards all of its eligible Council Tax. Three of the five existing East Surrey schemes already allow up to 100% support for working-age households.

A 100% maximum does not mean that every claimant will have nothing to pay. Having a higher level of income above the household's assessed needs, who lives in the household, any minimum-award rules, and other scheme provisions can reduce the award.



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

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, the calculation would be:

Table 2: Illustrative weekly Council Tax Reduction calculation

Calculation	Weekly amount
Eligible Council Tax	£40
Reduction for excess income	£10
Council Tax Reduction awarded	£30
Council Tax left for the family to pay	£10

If the family's assessed income were no higher than its applicable amount, it could receive support for the full eligible Council Tax charge.

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. Will there be a Council Tax band cap?

The draft scheme proposes no band cap. CTR would be calculated using the household's actual eligible Council Tax liability, regardless of whether the property is in Band A or Band H.

There are currently 1,387 working-age CTR households in Bands E to H, around 11.8% of the East Surrey CTR caseload. Not having a cap does not guarantee a full award, but it means support would not be restricted solely because the home is in a higher Council Tax band.

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 £16,000. A working-age household with more than £16,000 in capital would not qualify for CTR.

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 be treated as a non-dependant.

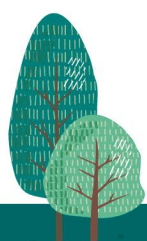
CTR schemes can reduce an award on the assumption that another adult may contribute towards the Council Tax bill. The draft proposes one flat deduction of £10 a week for each non-dependant, unless an exemption applies.

There are currently 2,343 East Surrey CTR households with at least one non-dependant. If the draft CTR scheme is implemented, these households would see a reduction in their CTR by £10 per week for each non-dependent.

12. What is the proposed £5 minimum award?

CTR is credited to a Council Tax account. Under the draft proposal, no ongoing award would be made where the calculated CTR is less than £5 a week.

The current model identifies 257 households with awards below £5 a week. If the draft scheme is implemented, these households would not receive CTR.



13. 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 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.

14. Will every Universal Credit change alter a CTR award?

In some CTR scheme, any change to Universal Credit can prompt a change in CTR and a new council tax bill. For some households, this can happen up to 12 times a year, making it expensive for the council to administer and difficult for the resident to keep up with how much council tax to pay.

The draft scheme proposes to prevent these frequent changes by not changing CTR when a claimant's income for Universal Credit changes by less than £100, or if the DWP have delayed a Universal Credit assessment by more than 50 days.

15. Could a claim be backdated?

The draft proposes backdating of up to three months where the qualifying conditions are met and entitlement for the earlier period can be established. It also proposes that, where the Council receives the necessary information about a new Universal Credit claim, the Universal Credit claim or entitlement start date can be used as the CTR claim date where Council Tax liability exists.

Household impacts and protections

16. How much would the draft scheme cost?

The five existing schemes provide about £19.2 million of working-age CTR a year. The draft proposal is modelled at about £18.8 million, around £394,000 less than the existing arrangements.

This is not the final cost, as the CTR scheme has not yet been decided, and new council tax rates have also yet to be set. Any scheme changes after consultation may alter the overall scheme costs.



17. 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.

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

The core modelling indicates that 2,020 current households, 17.1% of the caseload, would receive more CTR; 1,689 households, 14.3%, would receive less; and 8,077 households, 68.5%, would be unchanged.

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

Table 1 Modelled household impacts by current council area

Current council area	Current CTR households	Receive more	Receive less	Unchanged
Elmbridge	2,883	808 (28.0%)	380 (13.2%)	1,695 (58.8%)
Epsom and Ewell	1,879	1,070 (56.9%)	809 (43.1%)	0
Mole Valley	1,779	34 (1.9%)	199 (11.2%)	1,546 (86.9%)
Reigate and Banstead	3,093	89 (2.9%)	110 (3.6%)	2,894 (93.6%)
Tandridge	2,152	19 (0.9%)	191 (8.9%)	1,942 (90.2%)
East Surrey	11,786	2,020 (17.1%)	1,689 (14.3%)	8,077 (68.5%)

Note: Figures show the core draft model before all additional provisions and transitional protection. Percentages may not sum to 100% because of rounding.

19. Why are the changes greater in Epsom and Ewell?

Epsom and Ewell currently uses a different income-banded scheme, with fixed reductions of 80%, 65%, 50%, or 40%. The East Surrey draft uses a conventional means test in which support changes gradually through a 20% taper. [More details on the taper can be found here.](#)

Moving between these two calculation methods creates changes in both directions. The model shows 1,070 Epsom and Ewell households receiving more CTR and 809 receiving less. Of the households receiving less, 695 are affected by the change in assessment method. This is a central reason for considering transitional protection.



20. 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.

21. 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.

22. 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.

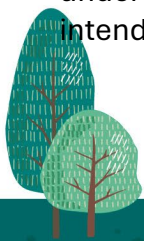
Consultation responses and optional equality-monitoring information will be used alongside refreshed modelling to update the assessment before the final decision.

23. 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.

24. 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. It is intended that changes will be in effect from 1 April 2027.



25. 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

26. Were other scheme options considered?

Yes. Four options were modelled. They tested different maximum support levels, property-band limits, capital limits, protected groups, and non-dependant deductions. The draft proposal was selected as a credible basis for consultation because it retains a 100% maximum and no band cap while creating one common means-tested scheme.

The Council is consulting on this proposal while it remains open to change. The questionnaire also asks about individual features, protections, funding choices, alternatives, and unintended consequences.

27. Who can respond?

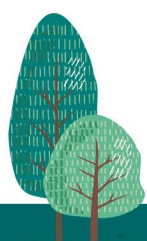
Anyone with an interest can respond, including current or former CTR claimants, Council Tax payers, carers, residents, voluntary and community organisations, advice services, housing organisations, and groups representing people who may be affected. Personal and organisational responses will be analysed separately. [Further details on the consultation can be found here](#), and can be contacted [by emailing ctrseastsurrey@surreylgrhub.gov.uk](mailto:ctrseastsurrey@surreylgrhub.gov.uk)

28. How can I respond?

The consultation will run until 3rd December 2026. The main response route will be the East Surrey consultation page. Paper and postal questionnaires, telephone-assisted completion, email and written submissions, and accessible formats will also be available.

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

Yes. Details of how to request help or a reasonable adjustment are available [here](#).



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

No. Consultation responses cannot be used to identify any individual, or 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 explains how information is used, stored, retained, and protected. [The privacy policy can be found here.](#)

31. 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, and practical delivery. The Council will publish the consultation findings and explain how the evidence influenced the final decision.

32. 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 intends to present its final report to the Full Council meeting 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.

