

Council Tax Support (CTS) scheme consultation

Background to the consultation

The council is consulting on proposed changes to the Council Tax Support Scheme (CTS) for working-age people and welcomes feedback on the proposals.

You can respond to this survey until 5pm on 28 November 2025. If you require any assistance or a paper copy of the questionnaire, please call our Customer Services Team on 01304 821199.

Please read the background information on this page before completing the survey. Responses are completely anonymous and will be used to help shape the final version of the CTS Scheme.

What is CTS?

CTS helps people who cannot afford to pay their Council Tax. It assists people who qualify to pay much less Council Tax by giving them a discount, mainly based on the income of the household.

Currently the maximum discount is 90% of Council Tax for working-age households, which means they only pay 10% of the Council Tax. Households with higher income levels will generally receive a lower discount and will pay more Council Tax.

Why is the council considering changes to the working-age CTS scheme?

Each local council must devise its own CTS scheme for working-age people

The current working-age CTS scheme has been in place since 2020. It is complicated and not compatible with Universal Credit. This is a concern, given that by April 2026, 98% of working-age CTS recipients in the Dover district will also be receiving Universal Credit.

The council would like to modernise and simplify the CTS scheme, bringing it in line with Universal Credit. The proposals also seek to provide more support to the people who need it most, increasing the maximum support level from 90% to 100%, meaning households that qualify would not have to pay any Council Tax.

If the current scheme is left unchanged, then from April 2026 it will award some customers a lower level of support than was originally intended, due to the pace of migration to Universal Credit. Universal Credit has replaced many benefits, including Income Support, Jobseekers Allowance and Employment Support Allowance. The intention for customers in receipt of these benefits, when the scheme was designed, was for each customer to receive the maximum level of support. When these customers migrate to Universal Credit they are not currently automatically awarded the maximum level of support. Currently there are 1,351 customers who would receive lower support than intended and a further 225 customers are due to migrate to Universal Credit by April 2026 who will likely be similarly impacted.

Who will this affect?

These changes will affect working-age households in the district who currently receive or will apply for CTS. There are currently 5,747 working-age households receiving CTS in the district.

Pension-age households will not be affected as central government decides how that scheme works.

What changes are being proposed?

Proposed change	Description and rationale
1. Change to the current income grid	The current income grid is updated each year, in line with increases to the National Living Wage. The proposed income grid will be based on Universal Credit rates and will increase each year in line with Universal Credit. This better reflects the current caseload whereby 98% of working-age claimants will be on UC by April 2026.
2. Increasing the maximum award from 90% to 100%	This would ease the financial pressure on those with the lowest incomes in the district. Over 4,315 households in the district would benefit from this proposal.
3. Non-working households in receipt of Universal Credit to receive 100% CTS	A household who receives Universal Credit and has no earned income will receive 100% CTS. This better replicates Income Support, Jobseekers Allowance and Employment Support Allowance in the current CTS scheme. This would ease the financial pressure on those with the lowest incomes. Such households receive direct support to return to work through Jobcentre Work Coaches. Once in work, CTS would be assessed in line with the income grid.
4. Expanding the income grid widths	This change would remove one of the five current bands and widen the remaining four. Wider bands result in less movement between bands for CTS claimants resulting in a more stable CTS award, making it easier to manage the household budget and giving more assurance to people month on month.

5. Simplifying the CTS award and removing the additional income allowances	The CTS award would be based on a list of incomes that would be included in the calculation of the award (for example, wages) and a list of incomes that would be excluded from the calculation (for example, Personal Independence Payments). Some awards would no longer have any additional income allowances that could reduce the net income for the calculation of CTS. If a resident is in receipt of Universal Credit and not in receipt of any earned income, they would be entitled to the maximum level of support. This would make the scheme more transparent and easier to understand
6 . Expanding the Capital Limits	This change would increase the current maximum amount of capital from £6,000, to £10,000. The previous limit of £6,000 has been in place since 2013 and needs to increase to reflect inflationary increases and to bring it in line with the capital limits for pension-age claimants.
7. Removal of the Minimum Income Floor (MIF)	This would result in Council Tax Support being calculated based on actual self-employed income rather than a minimum income floor (MIF) assessment which is an assumption based on the National Living Wage.
8. Supporting care leavers from the age of 21 years, up to their 25th birthday	Where they are in receipt of CTS if they are not entitled to 100% CTS then the council will cover the cost of their remaining Council Tax liability. Once they reach 25, the additional support will cease.

Are there any alternative options?

The options that have been considered include:

Leave the CTS as it is.

- This is the simplest option, but it means the scheme would be out of date and difficult to administer as it does not align with Universal Credit.
- This would result in over 1,500 customers receiving less support than was intended when the scheme was designed. Universal Credit has replaced Income Support, Jobseekers Allowance and Employment Support Allowance. The intention for these customers, when the scheme was designed was for them to receive the maximum level of support. When these customers migrate to Universal Credit they are not currently automatically awarded the maximum level of support.

Currently there are 1,351 customers who would receive lower support than intended and a further 225 customers are due to migrate to Universal Credit by April 2026.

Increase the level of Council Tax to pay for the administrative burden of the current scheme.

- This is not considered the best use of Council Tax revenue. If a more modern, simple and generous scheme can be implemented, then the council believes this to be a better use of council taxpayers' money.

Find the additional administration costs (of staying on the current CTS) by cutting other services.

- Given it is possible to fund this by implementing a revised CTS Scheme, this option has been discounted to avoid wider impact on other council services.

Further information

Both the current and proposed CTS Schemes are income grid CTS schemes. An income grid CTS scheme is a simplified method of calculating CTS for low-income households. Under this system, an applicant's income is assessed against a pre-defined grid or table that categorises income levels into bands, with each band corresponding to a specific percentage reduction.

Current CTS Scheme

In the current CTS scheme, for each customer, a gross income is calculated. A small number of incomes, such as Personal Independence Payments or Child Benefit, are disregarded and a net income is calculated. Depending on personal circumstances, the net income may be reduced further, by an award of an income allowance. The final weekly income is mapped against the income grid and the relevant discount awarded.

Income Allowances include: Disability Allowance, Severe Disability Allowance, Disabled Child Allowance, Carer Allowance and Enhances Disability Allowance.

The current income grid is confirmed below:

Income Band	Single		Couple		Family with 1 child		Family with 2+ children		Discount
	From	To	From	To	From	To	From	To	
Band 1	0.00	122.10	0.00	162.10	0.00	212.10	0.00	262.10	90%
Band 2	122.11	183.15	162.11	223.15	212.11	273.15	262.11	323.15	75%
Band 3	183.16	244.20	223.16	284.20	273.16	334.20	323.16	384.20	60%
Band 4	244.21	305.25	284.21	345.25	334.21	395.25	384.21	445.25	45%
Band 5	305.26	366.30	345.26	406.30	395.26	456.30	445.26	506.30	30%

Proposed CTS Scheme

For the proposed scheme, income is either included or not included in the calculation of CTS. Income not included is typically disability related. The table below sets out some of the most common incomes and how these are treated within the proposed scheme locally.

Incomes included in the CTS calculation	Incomes not included in the CTS calculation
Wages	Personal Independence Payments
Self-employed income	Carers Allowance
Private pension	UC – Childcare element
UC – Standard element	UC – Limited Capability to work element
UC – Child element	UC – Disabled child element
	UC – Carer element
	UC – Housing element

In the proposed scheme there are no income allowances to further reduce the net income for CTS purposes. This results in the removal of the following allowances: Disability Allowance (£43.20), Severe Disability Allowance (£82.90), Disabled Child Allowance (£81.37), Enhanced Disabled Child Allowance (£32.75), Carer Allowance (£83.30) and Enhanced Disability Allowance (£21.20).

In the proposed scheme, any household in receipt of UC, with no earned income, will be passported to full CTS, in the same way that Income Support, Employment Support Allowance and Jobseekers Allowance customers are treated in the current scheme.

For the proposed scheme, the below grid was used for modelling purposes:

Band	Single		Couple		Family with 1 child		Family with 2+ children		Discount
	From	To	From	To	From	To	From	To	
Band 1	0.00	103.00	0.00	155.00	0.00	234.00	0.00	312.00	100%
Band 2	103.01	178.00	155.01	230.00	234.01	309.00	312.01	387.00	75%
Band 3	178.01	253.00	230.01	305.00	309.01	384.00	387.01	462.00	50%
Band 4	253.01	328.00	305.01	380.00	384.01	459.00	462.01	537.00	25%

Statistical Analysis of the proposed scheme

This is a statistical analysis of current working-age CTS caseload and the impact of the proposed scheme

Cost of Scheme based on 2025/26:

Current cost of the scheme (£)	6,389,915
Modelled cost of the proposed new scheme (£)	7,414,240
Difference (£)	1,024,325
District share of the additional cost, based on 9.34% (£)	95,671
KCC share based on 71.53% (£)	732,699
The Police and Crime Commissioner for Kent based on 11.43% (£)	117,080
Kent and Medway Fire and Rescue Authority based on 4.01% (£)	41,075
Town and parish councils based on 3.69% (average) (£)	37,797

The Dover DC caseload is broken down as follows:

Household Group	Total	%
Single	2391	41.60
Couple	463	8.06
One Child	1261	21.94
Two or more	1632	28.40
Total	5747	100

Of these customers, over 98% are or will be in receipt of Universal Credit by April 2026

Customer	Total	%
Customer receiving UC	5395	93.9
Customer receiving other income	104	1.8
Customer receiving ESA (Will be migrated to UC by April 2026)	248	4.3

Below is a summary of the impact on the current Council Tax caseload of the proposed scheme:

Number of customers who have a change in award	Total	%
Increase in CTS	4970	86.5
No change in CTS	142	2.5
Decrease in CTS	635	11.0

By family unit:

Totals	Single	Couple	One Child	Two or more
Increase in CTS	2104	408	1015	1443
No change in CTS	48	10	53	31
Decrease in CTS	239	45	193	158

The caseload discount breakdown:

Discount Breakdown (%)	Number of customers	%
100	4315	74.38
75	471	8.12
50	656	11.31
25	305	5.26
0	54	0.93

From the above, over 4300 customers could be removed from paying Council Tax

The average annual and weekly change is summarised below:

Average annual change in CTS (£)	Single	Couple	One Child	Two or more
Increase in CTS	221.07	315.91	199.91	272.77
No change in CTS	N/A	N/A	N/A	N/A
Decrease in CTS	269.89	406.02	217.78	262.14

Average weekly change in CTS (£)	Single	Couple	One Child	Two or more
Increase in CTS	4.25	6.08	3.84	5.25
No change in CTS	N/A	N/A	N/A	N/A
Decrease in CTS	5.19	7.81	4.19	5.04