

Recommended CTS Scheme Principles

Weekly Earnings Bands							
Band	Support	Single: No Children	Couple: No Children	Single: 1 Child	Couple: 1 Child	Single: 2 or more Children	Couple: 2 or more Children
1	100%	Band 1 is for protected groups only *					
2	90%	£0 - £110	£0 - £160	£0 - £160	£0 - £210	£0 - £210	£0 - £260
3	70%	£110.01 - £140	£160.01 - £190	£160.01 - £190	£210.01 - £240	£210.01 - £240	£260.01 - £290
4	50%	£140.01 - £170	£190.01 - £220	£190.01 - £220	£240.01 - £270	£240.01 - £270	£290.01 - £320
5	30%	£170.01 - £200	£220.01 - £250	£220.01 - £250	£270.01 - £300	£270.01 - £300	£320.01 - £350
6	10%	£200.01 - £360	£250.01 - £410	£250.01 - £410	£300.01 - £460	£300.01 - £460	£350.01 - £510
<p>* Where the claimant or partner have no earned income and are in receipt of the limited capability for work related activity element of Universal Credit or the support component of Employment Support Allowance</p>							

- An income-banded scheme has been proposed in order to meet the primary objectives (simplification of the scheme and reduction in monthly changes to claimants' Council Tax instalments).
- The lowest income band has been set at a greater breadth to offer protection to low-income households with fluctuating earnings (for example, zero-hour contracts). The highest income band has been set at a greater breadth to offer transitional protection to existing CTS recipients. The remaining income bands have been distributed evenly.
- A minimum of 10% contribution towards Council Tax to be made by all working households, except vulnerable households (those in receipt of the limited capability for work related activity element of Universal Credit or the support component of Employment Support Allowance, where they have no earned income).
- Income to be used in the CTS calculation will comprise only earnings and tariff income (notional income generated from capital) in line with Universal Credit.
- No earning disregards will be made to income.
- For self-employed claimants, income will be calculated in accordance with Universal Credit rules (the "minimum income floor", similar to National Living Wage/National Minimum Wage).
- There will be a lower capital limit of £6,000 and upper capital limit of £16,000:
 - capital below £6,000 will be disregarded;
 - where the capital of the claimant (and any partner) totals between £6,000 and £15,999, a notional tariff income will be included alongside earnings in the CTS calculation (each £250 or part thereof above £6,000 generates a notional income of £1 per week);
 - where the capital is £16,000 or above, there will be no entitlement to CTS.
 - The definition of capital to remain the same as in our current scheme, meaning some savings and property are disregarded. (For example, the household's home and any payments made under certain government compensation schemes or charitable payments will not be counted.)

- No non-dependant deductions to be taken from CTS entitlement.
- The start date of CTS entitlement is to take effect from the date the application is received.
- Entitlement to CTS can be backdated by up to 6 months from the date of application, subject to continuous good reason for failure to claim earlier.
- A change in household circumstances is to take effect from the date of the change.
- Section 13A reduction scheme to be included in our CTS scheme, allowing for discretionary awards of CTS to be made to those who suffer financial hardship (for example, as a result of transition from the old CTS scheme).