

## Summary of council tax support scheme 2026-27

The council tax support scheme from 1 April 2026 for working age people will continue to be based on income bands.

The scheme will apply to working age people only who currently receive council tax support or apply in the future for help to have their council tax discounted. The new scheme will apply without exception from 1 April 2026.

It is important to note that changes to the council tax support scheme will not affect pensioners. These people are protected and their council tax support will continue to be awarded on the basis of the scheme prescribed by Central Government.

The following income bands will apply and the percentage of council tax support awarded will be 100%, 80%, 60%, 40% or 20% of the maximum eligible council tax.

There are different bands for single claimants, lone parents with up to 2 children, 3 children and 4 or more children and couples with up to 2 children, 3 children and 4 or more children as illustrated below.

### Income amounts to be updated after DWP notify increases in welfare benefits and allowances effective from April 2026

Income Band	Single Person	Couple	Lone Parent up to 2 children	Lone Parent 3 children	Lone Parent 4 children +	Couple up to 2 children	Couple 3 children	Couple 4 children +	Maximum percentage entitlement
Income £									
Band 1	0.00 to 110.00	0.00 to 168.00	0.00 to 220.00	0.00 to 290.00	0.00 to 360.00	0.00 to 280.00	0.00 to 350.00	0.00 to 420.00	100%
Band 2	110.01 to 150.00	168.01 to 220.00	220.01 to 270.00	290.01 to 340.00	360.01 to 410.00	280.01 to 340.00	350.01 to 410.00	420.01 to 480.00	80%
Band 3	150.01 to 180.00	220.01 to 275.00	270.01 to 320.00	340.01 to 410.00	410.01 to 480.00	340.01 to 400.00	410.01 to 470.00	480.01 to 540.00	60%
Band 4	180.01 to 210.00	275.01 to 335.00	320.01 to 370.00	410.01 to 480.00	480.01 to 550.00	400.01 to 460.00	470.01 to 530.00	540.01 to 600.00	40%
Band 5	210.01 to 240.00	335.01 to 400.00	370.01 to 430.00	480.01 to 550.00	550.01 to 620.00	460.01 to 530.00	530.01 to 600.00	600.01 to 670.00	20%

Claimants who receive Income Support, Job Seeker's Allowance (Income Based) or Employment and Support Allowance (Income Related) will fall into band 1 and will be entitled to up to 100% council tax support.

The income will be calculated, net of any allowable disregards and the if the income calculated falls into one of the following income bands, council tax support will be payable. If the net income exceeds the maximum income in band 5 then no council tax support will be payable.

### Qualifying for council tax support

A person must have a council tax liability to be able to claim council tax support and the property must be occupied by the tax payer. Council tax support is a council tax discount

and if awarded it will reduce a person's council tax payments. The level of discount awarded is based on the income and capital the claimant and partner has, whether they have dependent children or other grown ups living in the household, referred to as non dependants. Other factors such as certain expenses to assist with childcare payments, disabilities and whether a person falls into a group considered to require more support will also be taken into consideration.

### **Eligible Council Tax**

The eligible council tax used in the calculation of council tax support will be the net amount payable, taking into account discounts already awarded, for a dwelling that is occupied.

The only exception to this is if the tax payer lives in a property that has an F, G or H banding. For people claiming council tax support, their maximum eligible council tax will be restricted to a band E and the maximum council tax support they can receive is 100% of the band E charge.

### **Capital limit**

If a single person or couple claiming council tax support have over £6,000 in combined capital there will be no entitlement to council tax support and the full amount of council tax will be payable. There are no exceptions to this rule. An assumed income from savings will not be applied to capital less than £6,000.

### **Non dependant deductions**

A non dependant is a person living in the council tax support claimant's home but they are not stated as a liable person on the council tax bill. They are normally a grown up child or an elderly relative living with the claimant. Deductions will normally be made from the eligible council tax for each non dependant living in the household. The deductions are based on the non dependant's gross income and whether they are working. The deductions and earnings bands are increased from 1 April each year.

A non dependant deduction will not be made if the claimant or their partner receives one of the following incomes:

- Attendance Allowance or Constant Attendance Allowance
- The daily living component of Personal Independence Payment
- The care component of Disability Living Allowance
- An armed forces independence payment

Or if the claimant or partner is severely sight impaired, blind or has recently regained sight.

### **Earned income disregards**

A maximum weekly disregard of £10 will apply to the combined earnings of the claimant and partner. If both a claimant and their partner are working the earnings disregard will be £10 in total and will not be awarded per person.

### **Income disregards – child benefit**

Child benefit for all children will be disregarded in full and will not be used in the income calculation.

### **Income disregards – maintenance in respect of a child**

Maintenance payments received in respect of a child or children will be disregarded in full and will not be used in the income calculation, subject to qualifying conditions.

### **Income disregards - Housing Element (Universal Credit)**

The housing costs element of a person's Universal Credit award will be disregarded in full.

\* Please see examples at the end of this document.

### **Income disregards – other income**

Under this scheme, as part of our ongoing commitment to support disabled people, the following incomes will continue to be disregarded and will not be used as income in the calculation of council tax support:

- Personal Independence Payment
- Attendance Allowance
- Constant Attendance Allowance
- Disability Living Allowance
- Limited Work Capability element of Universal Credit
- War Disablement Pension
- War Widow's Pension
- Christmas bonus paid by DWP
- Employment & Support Allowance – work related and support (non UC recipients only)

### **Other disregards - childcare**

To support incentives to work for those working over 16 hours, a weekly childcare disregard will be applied to earnings of up to a maximum of £175, where child care is paid for one child, or up to a maximum of £300 where childcare is paid for more than one child, subject to further qualifying conditions.

### **Other disregards - disabled child or children (increase from 01/04/26)**

An additional income disregard of £200 per week will be applied to household income for each child who:

- Is severely sight impaired, blind or has recently regained their sight, or
- Receives Personal Independence Payment or Disability Living Allowance

### **Other disregards – Armed Forces Compensation Scheme payments**

### **Absences abroad for up to four weeks**

Council tax support will be paid during a temporary absence abroad providing that the period of the absence does not exceed four weeks. If the planned period of absence is greater than four weeks the claim for council tax support will end from the date of departure and the claimant will have to claim again following the return to their home address.

### Backdating claims

A claim for council tax support can be backdated for a maximum period of six months from the date of the claim if the claimant can demonstrate a good reason for not having claimed sooner. The claimant must provide a written request for backdated council tax support and provide full reasons for the delay in claiming.

### Discretionary Hardship Relief Scheme

The scheme may result in some claimants being adversely affected which may lead to hardship. As there is a need to protect the most vulnerable households, the Discretionary Hardship Relief scheme which falls within the local council tax support scheme, is designed to provide additional financial support to those tax payers who are facing either exceptional hardship or extraordinary circumstances. Subject to conditions a tax payer could be awarded a payment under the Council's Discretionary Hardship Relief scheme. An application will need to be made and it will be considered in accordance with the Council's policy.

\* Examples relating to the disregard of the Housing Element within Universal Credit:

The housing costs element of a person's Universal Credit award will be disregarded in full up to the level of the Net UC award.

#### Example 1

Universal Credit Maximum Amount		Universal Credit Incomes	
Standard Allowance	368.74	Net UC Award	848.74
Carer Element		Tariff Income	
Limited work capability		Household Earnings	
Child Element		Applicable Income	
Childcare Element		Other adjustments	
Housing Element	480.00		

Therefore the person's income to be taken into account for the purpose of the banded scheme is £848.74 - £480.00 (Housing Element) = £368.74 pcm or £85.09 per week.

#### Example 2

Where the UC award is subject to a managed payment direct to a landlord and this is included as an "other adjustment", the Net UC award will be aggregated with the managed payment as follows:

Universal Credit Maximum Amount		Universal Credit Incomes	
Standard Allowance	368.74	Net UC Award	848.74
Carer Element		Tariff Income	
Limited work capability		Household Earnings	
Child Element		Applicable Income	

Childcare Element		Other adjustments	320.00
Housing Element	480.00		

Therefore the person's income to be taken into account for the purpose of the banded scheme is  $£368.74 + £480.00 = £848.74 - £480.00$  (Housing Element) =  $£368.74$  pcm or  $£85.09$  per week.

### Example 3

Sometimes the value of the Net UC Award and the managed payment will be less than the Housing Element. In these instances the Housing Element will be disregarded up to the value of the Net UC Award and the managed payment.

Universal Credit Maximum Amount		Universal Credit Incomes	
Standard Allowance	368.74	Net UC Award	123.93
Carer Element		Tariff Income	
Limited work capability		Household Earnings	724.81
Child Element		Applicable Income	
Childcare Element		Other adjustments	
Housing Element	480.00		

Therefore the person's income to be taken into account for the purpose of the banded scheme will be  $£123.93 - £480.00$  (Housing Element) =  $£NIL + £724.81$  wages pcm or  $£167.26$  per week (less the standard earnings disregard).

\* Example relating to the disregard of the Housing Element and Limited Work Capability element within Universal Credit:

### Example 4

Universal Credit Maximum Amount		Universal Credit Incomes	
Standard Allowance	368.74	Net UC Award	1238.80
Carer Element		Tariff Income	
Limited work capability	390.06	Household Earnings	
Child Element		Applicable Income	
Childcare Element		Other adjustments	
Housing Element	480.00		

Therefore the person's income to be taken into account for the purpose of the banded scheme is  $£368.74 + £390.06 + £480.00 = £1238.80 - £390.06$  (Limited Work Capability element) -  $£480.00$  (Housing Element) =  $£368.74$  pcm or  $£85.09$  per week.

These are the exceptions and all other elements of Universal Credit will be taken fully into account as income.