

# Response to the Proposed Changes to the Brent Council Tax Support Scheme 2025/26

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## Summary

This report details Citizens Advice Brent's response to Brent Council's proposed changes to the 2025/26 council tax support scheme. To assess how the scheme might affect Brent residents we conducted research into how the current council tax support (CTS) scheme aids low-income households. We compared this to the level of support offered under the proposed 2025/26 scheme to analyse how these households might be impacted by the changes. We conducted a flash survey of working age Brent residents who are already in receipt of CTS. Below we lay out our assessment of the findings of this survey, followed by the recommendations we would make in rethinking the proposed 2025/26 scheme.

### Key Recommendations:

- **Reduce the 35% minimum payment.**
- **Reinforce protections from enforcement action for financially vulnerable residents with council tax debt.**
- **Make greater use of the 'Council Tax: Discretionary Reduction Policy' and refine the processing of applications for a discretionary reduction.**
- **Define instances in which CTS claims can be backdated for over 1 month.**

## Background

### Brent Council's Proposed Changes

Key aspects of the proposed new scheme:

- To introduce a standard **35% minimum payment for working-age households** and apply a percentage reduction to each of the income bands. This means all CTS claimants will be expected to contribute a minimum of 35% towards their Council Tax Liability.
- Simplify the non-dependent charges and have just two flat rate non-dependent deductions for most households with other adults living in the property, **£8 per week for non-dependents "out of work" and £20 per week for non-dependents "in work"**.
- The proposed changes will only affect working-age households receiving Council Tax Support from April 2025. Pensioners are exempt and will continue to be assessed under the existing system, which can cover up to 100% of their Council Tax bill.

### Proposed Changes to Council Tax Support Rates

There are also a few technical administrative proposed changes to the scheme:

- Limit Backdating to one month.
- The introduction of an additional application process for Council Tax Support (Universal Credit applicants only)
- Linking Income bands to Consumer Pricing Index (CPI)

## Results

## Survey

We conducted a flash survey to determine how the proposed changes to CTS could affect Brent residents. In total, we surveyed 32 CTS claimants over a period of 3 weeks. The survey was targeted at Brent residents who already receive some level of CTS, with questions aiming to establish respondents' current council tax liability, level of council tax support, and whether they maintain a positive budget. This enabled us to assess how the proposed changes will alter the financial situations of individual households.

## Key Findings

- **The average council tax bill increase for the CTS claimants we surveyed was £524.98**
- **13 out of 32 CTS claimants we surveyed did not have enough income to cover their monthly costs, despite receiving the maximum level of CTS.**
- **2 in 3 CTS claimants we surveyed will receive a new or increased council tax bill that they currently do not have the monthly income to pay.**

**Table 1** shows the current and projected council tax bill for each of the CTS claimants we surveyed. The table is sorted from highest to lowest council tax bill increase.

Respondent	Current yearly council tax bill	Yearly council tax bill after changes	Council tax bill increase
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9	2397.37	3505.10	1107.73
15	260.00	1081.05	821.05
21	260.00	1081.05	821.05
13	0.00	665.05	665.05
16	0.00	665.05	665.05
18	0.00	665.05	665.05
25	0.00	665.05	665.05
17	0.00	581.91	581.91
5	0.00	561.13	561.13
3	0.00	498.78	498.78
4	0.00	498.78	498.78
6	0.00	498.78	498.78
10	0.00	498.78	498.78
11	0.00	498.78	498.78
22	0.00	498.78	498.78
24	0.00	498.78	498.78
29	0.00	498.78	498.78
12	0.00	436.44	436.44
19	0.00	436.44	436.44
27	0.00	436.44	436.44
30	237.54	623.48	385.94
23	763.52	1122.27	358.75
2	2069.82	2316.13	246.31
14	1108.51	1330.09	221.58
8	1187.69	1246.96	59.27
1	0.00	0.00	0.00
7	0.00	0.00	0.00
20	0.00	0.00	0.00
26	0.00	0.00	0.00
28	0.00	0.00	0.00

**Table 2** shows the council tax bill increase for each respondent sorted from highest to lowest, with data on respondents' budgets and their current level of council tax arrears.

Respondent	Council tax bill increase	Money at the end of the month	Council tax arrears
9	1107.73	More than £100	None
15	821.05	£0 - £10	None
21	821.05	Negative budget	None
13	665.05	Negative budget	None
16	665.05	Negative budget	£25 - £50
18	665.05	Negative budget	More than £1000
25	665.05	Negative budget	None
17	581.91	£0 - £10	£100 - £500
5	561.13	£25 - £50	More than £1000
3	498.78	£10 - £25	None
4	498.78	£0 - £10	None
6	498.78	Negative budget	None
10	498.78	£0 - £10	None
11	498.78	£0 - £10	None
22	498.78	Negative budget	None
24	498.78	More than £100	None
29	498.78	Negative budget	None
12	436.44	Negative budget	None
19	436.44	More than £100	None
27	436.44	Negative budget	None
30	385.94	Negative budget	£500 - £1000
23	358.75	£10 - £25	None
2	246.31	£0 - £10	£100 - £500
14	221.58	£0 - £10	None
8	59.27	More than £100	None
1	0.00	Negative budget	None
7	0.00	£0 - £10	None
20	0.00	Negative budget	None
26	0.00	Negative budget	None
28	0.00	£25 - £50	None

**In analysing this data, we focused on three key areas:**

1. **Council tax arrears** – We wanted to know how drastically the proposed changes could increase the arrears balances of residents who already have council tax debt.
2. **Household budgets** – We assessed how many respondents would experience a critical financial impact because of the proposed changes, with their currently positive budget being pushed into the red by a new or increased council tax bill.
3. **Change in council tax liability and level of support** – We looked to establish the difference the proposed changes could make to each respondent's financial situation.

## Council Tax Arrears

Among the 32 CTS claimants who responded, 7 had some level of council tax debt. Even while receiving CTS some residents have significant arrears balances. One response indicated a household with over £1000 in council tax arrears despite CTR now covering 100% of their bill. **Under the new changes this household would face a yearly bill of over £665.**

Council tax arrears can quickly spiral out of control, with monthly payment defaults potentially leading to being billed for the entire year. Brent households already struggling with council tax debt are likely to see their arrears balances increase if the proposed changes are implemented, putting them at risk of enforcement action.

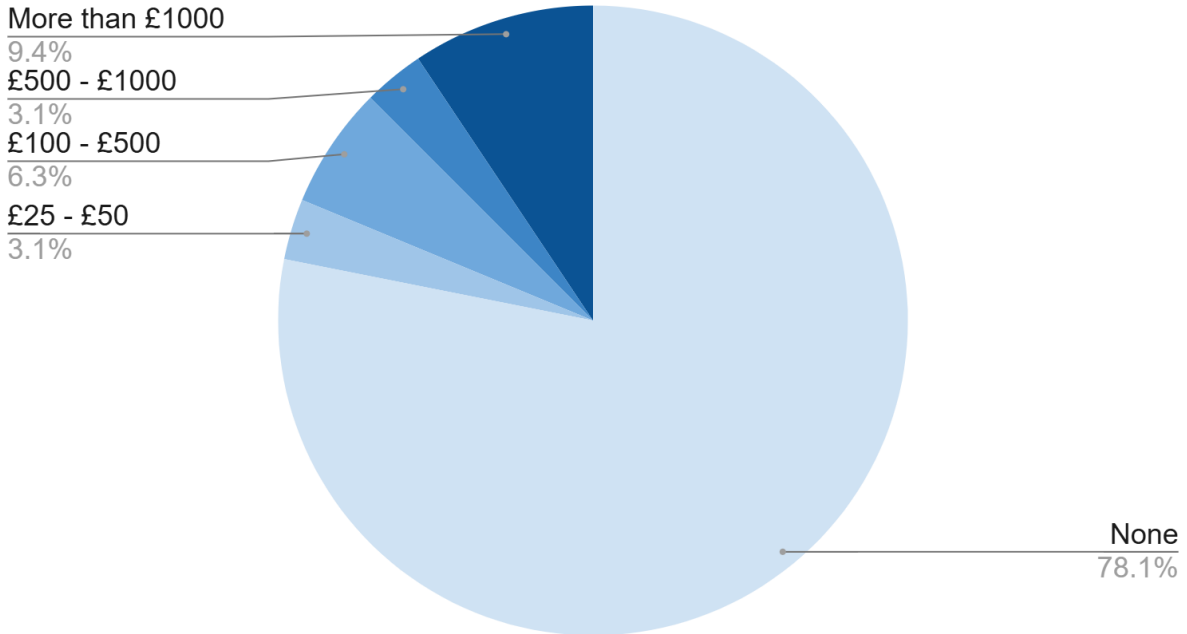
Since 2021 Brent Council has made over 40,000 referrals<sup>1</sup> for enforcement action against residents with council tax arrears. The proposed changes risk seeing an

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<sup>1</sup> 2023 FOI Request, [Non Payment of council Tax - a Freedom of Information request to Brent Borough Council - WhatDoTheyKnow](#)

increase in enforcement action against households already struggling with debt, and with very little income available for new or increased bills.

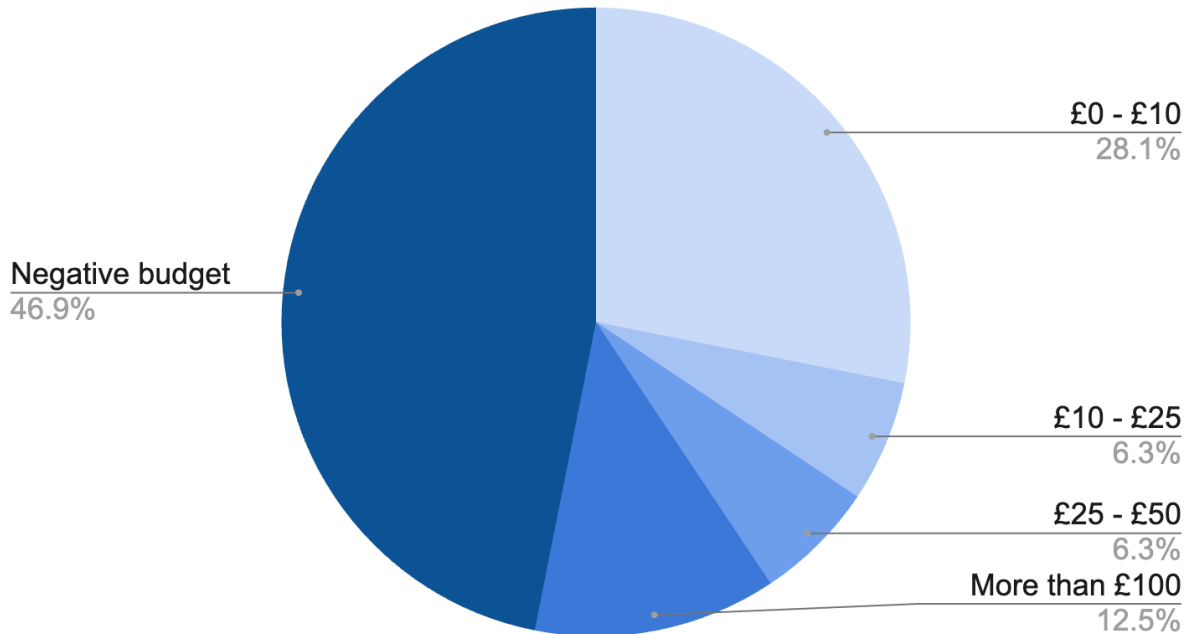
### Council Tax Arrears



### Household Budgets

Establishing a positive budget is an important factor in achieving financial stability. Of the 32 respondents we surveyed 25% reported generally having at least £10 left after covering all their expenses each month. **Under the proposed changes, of 8 households with over £10 in monthly excess income, 2 would have this wiped out altogether by their increased council tax bill.**

## Money left at the end of the month



A significant proportion of the Brent residents we spoke with for this survey are experiencing financial hardship. Out of the 32 respondents 15 said their monthly income was not enough to cover all their expenses, meaning they are operating with a negative budget. This reflects figures from National Citizens Advice showing that over half of all Citizens Advice clients seeking debt advice are now in a negative budget<sup>2</sup>.

Despite receiving CTR some of the claimants we surveyed are potentially facing multiple debts already. **Of the 15 households reporting a negative budget 11 will face a new or increased council tax bill under the proposed changes, with an average monthly bill of £47.24.**

In addition, 9 responses indicated households with an excess income of £0 - £10, meaning they are on the edge of being pushed into a negative budget. Of these, **7**

<sup>2</sup> Wild, Morgan, *Living on Empty: a policy report from Citizens Advice*, 2023, <https://wearecitizensadvice.org.uk/living-on-empty-245f4b9acbe3>



**households will face a new or increased council tax bill that they will be unable to pay. The new average bill for these households will be £40.08 per month.** The proposed changes will force these financially precarious households into a choice of either cutting back on essential costs or falling into debt.

## Case Studies

The following case studies are hypothetical scenarios based on our survey data. They describe how the proposed changes might affect different Brent households.

### Liz and Rita

Liz rents a two-bedroom Band C property with her adult daughter Rita. They currently claim CTS at the highest rate, but because Rita counts as a non-dependent they have a monthly council tax bill of £43.30. Liz is disabled and Rita is her full-time carer. They both claim all benefits they are eligible for, with Rita claiming carer's allowance, which allows them to just maintain a positive budget. However, they regularly have less than £10 left at the end of the month so are not able to save any money and often worry about their financial situation.

**Under the proposed CTS changes, Liz and Rita would face a monthly council tax bill of £63.42. This increase of £20.12 per month will put them in an impossible situation, with a significant risk of falling into council tax arrears.**

### Ahmed

Ahmed has council tax arrears of over £1000 that has accumulated since he became unemployed last year. He only realised recently that he is eligible to claim CTS. He successfully made a claim, meaning his council tax is now 100% covered by CTS, and this has made a positive impact on his financial situation. He now has excess income at the end of each month of £25-£50. This means that Ahmed can begin making payments towards his council tax arrears.

**However, under the proposed changes, Ahmed will have a new council tax bill of £46.76 per month. It is likely he will struggle to make these payments. Even if he does, his existing arrears balance will remain, and Ahmed will no longer be able to make payments towards it.**

## Recommendations

### 1. Reduce the minimum council tax payment of 35%

Research from National Citizens Advice (NCA) shows that **clients living in a local authority with a minimum payment are 57% more likely to have council tax arrears.**

The minimum payment proposed by Brent Council of **35% would be one of the highest in the UK.** While minimum payments in general are liable to push low-income residents into debt, the level of minimum payment can make a significant difference. NCA data shows that:

**“For each 1% increase in minimum payment, we see a 0.23% increase in the proportion of our debt clients receiving CTS who have council tax debt. This means that in an area with a 50% minimum payment, we would expect to see 10% more clients with council tax debt than in an**

**area with a 5% minimum payment, if the other factors remained the same”<sup>3</sup>**

According to these figures, **Citizens Advice Brent would expect to see an 8.05% increase in the proportion of debt clients who receive CTS and who are in council tax arrears if the proposed changes are implemented.**

To avoid placing undue hardship, and the possibility of spiralling council tax arrears, on low-income households, Brent Council should rethink the proposed changes by lowering the minimum payment.

## **2. Use existing protections for financially vulnerable residents claiming CTS.**

The proposed changes will increase the level of council tax arrears held by CTS claimants. For those already with council tax debt, the changes will make it more difficult for them to pay this off. For others, it will mean they are faced with a new council tax bill that they will be unable to pay without cutting back essential costs or accumulating other forms of debt. It is inevitable that some of these claimants will fall into council tax arrears without a clear pathway to clearing their debt.

As a priority debt, **council tax arrears can be one of the most troubling forms of debt.** Inability to pay for a couple of months can mean being faced with a bill for the entire year and committal proceedings remain a real possibility to those who do not pay back arrears.

Even initial enforcement action can be enormously stressful for households in a vulnerable financial position. **Eligibility for CTS is in and of itself evidence of some level of financial vulnerability, and this should be taken into**

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<sup>3</sup> Rose. Maddy (National Citizens Advice), *Council Tax Support? A benefit determined by postcode not need*, 2024, [FINAL Council Tax Support? A benefit determined by postcode not need](#)

**consideration wherever the council considers initiating enforcement action.**

The council should ensure staff are trained in implementing its own ethical debt recovery policy. They should also make it clear what extra support they will offer to recipients of CTS who end up in council tax arrears and should avoid taking premature or undue enforcement action against claimants.

**3. Make greater use of the Council Tax: Discretionary Reduction Policy to assist the most financially vulnerable residents.**

Given that the proposed changes to the 2025/26 CTS scheme will bring about increased financial hardship for Brent households, the council should refine and promote other forms of support that may offer help to residents struggling with their council tax bills.

The council tax liability discretionary reduction policy under section 13A of the Local Government Finance Act 1992 is already used to mitigate the impact of council tax bills on financially vulnerable households. We suggest the council take steps to **simplify the application procedure for residents who may need a discretionary reduction in their council tax liability and ensure council staff are trained to process applications as efficiently as possible.**

Application procedures should follow the Standard Financial Statement Guidance already adopted by Brent Council. This means that so long as an applicant's financial statement demonstrates an inability to pay council tax, their council tax liability should be automatically reduced.

**4. Clarify the rules on backdating CTS claims and allow for circumstances in which CTS should be back-paid for more than one month.**

The proposed changes do not outline situations where the new rule on limiting CTS backdating may not apply. In a number of cases, the new rule could cause undue

hardship, and the council should consider how they will handle backdating requests when it comes to these situations.

We welcome the steps the council proposes to integrate the CTS application procedure with the UC system. This has worked well for other local authorities and saves claimants significant time, effort and stress. However, there are many valid reasons for someone newly eligible for UC to be delayed in making a claim. Under the new system, new claimants could see their CTS backdated to just one month alongside their UC, even if they had been eligible for these benefits for several months.

Nationally, **CTS is a benefit with one of the lowest uptake rates**. In carrying out our survey, we found that many respondents did not understand the current terminology used by Brent Council. Respondents were often not aware of the distinction between council tax discounts and council tax support. **The risk of claiming CTS late is likely already high because of this. New claimants are in danger of being punished even more harshly for delays under the new rules.**

The council should make efforts to ensure that residents understand CTS and how they can claim it to avoid claimants losing out due to lack of awareness. **The council should also consider retaining the current backdating rules, in which claims can be backdated to the start of the financial year in cases where there has been a good reason for claimants to have delayed making an application.**