



UNIVERSITY OF
BATH

Council Tax Reduction and Universal Credit

Winners and losers of the postcode lottery

IPR Report

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Contents

Summary	1
Council Tax Reduction schemes and their interaction with Universal Credit	1
Study methods.....	2
Key findings.....	2
What can be done to reform CTR?	5
Conclusion.....	7
Chapter one: Introduction	8
Structure of the report.....	11
Chapter two: The history and evolution of Council Tax Reduction schemes and their interaction with Universal Credit	12
What is Council Tax Reduction (CTR)?	13
From CTB to CTR	13
Drivers in the evolution of CTR scheme design.....	14
CTR scheme types and characteristics.....	20
Eligibility, entitlement and assessment criteria	23
Degree and integration and automation with Universal Credit.....	29
Suggestions for improvement.....	30
Chapter three: The self-administered online survey	35
Council tax affordability	36
Council tax arrears	37
Finding out about the CTR.....	38
Applying for CTR.....	38
How much council tax were respondents in receipt of CTR paying?	39
Frequency of variations in council tax liability.....	40
How important was the CTR?	40
Overall experience of getting CTR while on UC	41
CTR and Universal Credit	41
Suggestions for improvements to CTR for people who work.....	42

Chapter four: Qualitative interviews with UC claimants	43
Awareness and understanding of CTR.....	44
Application processes and procedures.....	46
Communication and support.....	49
Fairness of schemes /eligibility and entitlement rules.....	50
Within-year and monthly reassessment.....	52
Affordability and arrears.....	54
Interaction and integration of CTR with Universal Credit	56
Financial impacts of CTR.....	58
Work incentives and work behaviours.....	59
Suggestions for improvement.....	60
Chapter five: Summary, conclusions and policy reform options	64
What did the research find?	65
What can be done?.....	69
Annex: Research methods and further details about interviewees	74
Survey methods.....	75
Qualitative interviews.....	79

Summary

Eligibility, entitlement and assessment criteria for Council Tax Reduction (CTR) – a means-tested discount on council tax for low-income, working-age people – has been left to the discretion of local authorities since 2013. Yet little is known about how low-earning households are experiencing CTR. To help fill this evidence gap, this study explores how Universal Credit claimants access, are financially affected by and are responding to different Council Tax Reduction schemes in England.

Council Tax Reduction schemes and their interaction with Universal Credit

Introduced in 2013 to coincide with the roll-out of Universal Credit, CTR schemes replaced Council Tax Benefit (CTB), a national scheme designed by the UK government and administered by local authorities. CTR schemes, by contrast, are local authority-designed and delivered. In 2025-26, there were 313 separate CTR schemes in operation across England. Council tax support in Scotland and Wales (not included in this research) is devolved and remains a nationally designed scheme akin to the former CTB.

As of 2026, with the managed migration from legacy benefit and tax credits to UC essentially completed, virtually all recipients of CTR are now in receipt of UC. Yet not all claimants of UC get CTR. With eligibility, entitlement and assessment criteria left to the discretion of individual local authorities, the help that a claimant receives crucially depends on where they live. As a result, people in similar circumstances but in different local authority areas can find themselves not only with completely different council tax bills to pay, but with varying levels of entitlement to financial support. Indeed, the difference in annual CTR entitlement can be as much as £1,500. The term ‘postcode lottery’ may be somewhat overused, but its application in relation to CTR schemes is never more apt.

The unfair way in which council tax liability is calculated – using outdated property values – has rightly been challenged in recent years, with calls for reform from across the political spectrum. Less well-appreciated and understood is how this interacts with UC, in particular, the hugely variable financial impacts that different CTR schemes can have on UC claimants with earnings. This study addresses that gap.

Study methods

The research was conducted between May and October 2025. It comprised an online survey, self-completed by 160 UC claimants currently or recently in receipt of CTR; telephone interviews with a sub-sample of 30 survey respondents with recent experience of claiming or applying for CTR when earning; and video interviews with five key informants with in-depth knowledge and experience in the design and delivery of CTR schemes locally and nationally, including local authority officers and specialist advice agencies.

The study investigated how the different elements of CTR scheme design – including application and administration processes; eligibility, assessment and entitlement criteria; and income and earnings thresholds – may affect take-up, household finances and the decisions that UC claimants make around work.

Key findings

Less help for UC claimants with earnings

While a great deal of good will is evident within councils, the generosity and reach of their CTR schemes has reduced as the financial pressures on them have intensified. Households in which no one works generally receive the highest levels of support, whereas help for those in which someone is earning has become increasingly squeezed.

With councils torn between the competing priorities of reducing their costs, protecting their poorest and most vulnerable residents and supporting work incentives, low-income households that include someone who works have generally lost out. Many councils have increased the rate at which support is withdrawn as people's income rises, while in others, financial support ends soon after earnings rise above a very modest level. Several have frozen their income thresholds, resulting in an effective year-on-year cut in CTR entitlement. All such changes have disproportionately affected working claimants, many of whom have lost entitlement to CTR altogether.

Reforms to the design of UC that allow eligible claimants to keep more of their earnings – including a reduction in the taper rate and increases in the UC work allowance (the amount that claimants can earn before their UC starts being tapered away) – have also served to reduce entitlement to CTR for many working people.

Increasingly unaffordable council tax is driving financial hardship and arrears

As financial support has reduced and eligibility criteria tightened, greater numbers of working claimants are finding it hard to cover the rising cost of their bills. Whether people were still receiving CTR or were no longer entitled, the vast majority were struggling to pay their council tax (76% of those receiving CTR and 86% of those no longer entitled), and a large share were in arrears (44% and 56%).

Big diversity in application processes and procedures

Prior to applying for CTR, respondents' awareness levels about the help available to them were very low. Most found out about their local scheme by chance, during an online search, after speaking to a family member or friend, or when using a benefit calculator. Comparably few had been made aware of CTR by their council or when claiming UC. Applying for CTR was also far from straightforward, with 43% of respondents finding it difficult. Many struggled to find clear information about their local scheme or how to access practical support. Moreover, the application procedures could be long and unduly burdensome, often requiring detailed household income and earnings data to be gathered and uploaded online.

Automated processing of CTR claims, though welcomed by those who benefitted, were few and far between. Although much of the information required is readily accessible to local authorities via the Universal Credit Data Share (UCDS) – a near-live data transfer from the Department for Work and Pensions (DWP) containing details of UC claimants' circumstances and income – many councils still require separate CTR applications. This reduces take-up and makes the process more burdensome than is necessary – both for claimants and staff tasked with manual processing.

Variable design features and effects of different CTR schemes

Around two-thirds of English councils currently operate **'legacy' or 'default'** CTR schemes in which support reduces gradually as income and earnings rise. Accessing the same monthly earnings data that are used in the assessment of UC has allowed for the automatic calculation of CTR – administratively simpler than claimants uploading proof of earnings each month.

But in these schemes, virtually every recorded change of income, however small, often triggers a reassessment of CTR. This obliges the council to issue a 'change notification' letter and revised council tax bill, which is not only costly for them but also creates confusion and budgeting difficulties for claimants. Over a quarter of respondents currently receiving CTR (28%) said the amount of council tax they had to pay each month varied, making it difficult to know their council tax liability and hard to budget.

To reduce the volatility in entitlement and administration costs associated with default schemes, councils are increasingly replacing tapering with **income banding**. Around a third of CTR schemes in England are now income banded, where percentage discounts in council tax are progressively reduced over a series of stepped income rises. Here, small changes in earnings between the income bands are generally disregarded. While these schemes generally work well for UC claimants whose earnings remain steady within the bands, for people whose earnings fluctuate a lot or are on the cusp of income bands, the effect of 'cliff edges' means that working or increasing their hours can leave some financially worse off. These are precisely the kind of financial disincentives that UC was intended to eliminate.

Discount CTR schemes do not apply a monthly means test but operate largely independently of UC through a discount code on the council tax bill (in a similar way as the 25% Single Person's Discount is applied to people who live alone). With eligibility and entitlement based on self-declared circumstances and income, discount schemes are simpler for councils to administer and easier for households to understand. However, the higher risk of overpayment and fraud means that only a minority of councils, with generally small cohort sizes, operate their schemes in this way. None of the claimants in this research had experience of discount schemes.

A bewildering array of eligibility, assessment and entitlement rules

Within these different scheme categories, councils use a diverse set of policies to determine CTR eligibility and entitlement, covering everything from capital (savings) restrictions and maximum discounts to how income, earnings and changes of circumstance are treated. Some schemes mirror UC policies in areas like capital limits or disability-related disregards, but many diverge. Complicating things further, numerous CTR schemes vary entitlement according to household type and the presence of children, while others restrict the maximum amount of support to the discounts applying to lower council tax bands.

Approaches also differ sharply in the treatment of income. For example, default/legacy schemes treat the full UC award as income, while income banded schemes selectively disregard certain elements, and earnings-only schemes disregard the whole of the UC award.

Councils vary further in how they assess self-employed earnings and how they treat payments relating to children or disability. Earnings disregards – the amount that can be earned before entitlement begins to reduce – also differ widely in value and availability, with some councils removing them altogether. Reflecting on the cumulative effect of these differences, one informant commented: 'they've created an absolute monster!'

Detrimental effects of the ‘postcode lottery’

The variability in CTR application procedures, eligibility rules and levels of entitlement can have profoundly different financial impacts on similar families living in different council areas. It can mean the difference between getting a council tax discount worth up to £125 per month and not getting any help at all. One lone parent in our research whose take-home pay was £500 per month received no CTR, while another in similar circumstances but earning £1,900 received a discount of £109 per month.

People living in council areas where certain payments were counted as income (such as Personal Independence Payment and the UC transitional element, intended to protect claimants from financial loss when being moved from legacy benefits and tax credits to UC), could also lose entitlement to CTR, while in other areas, these payments were disregarded.

For local authorities, too, having to design and manage what are, in effect, their own local social security schemes, is not only administratively complex, but is increasingly opening them to the risk of legal challenge. This is highlighted by recently upheld cases of unlawful discrimination against several councils.

Neither default nor income-banded CTR schemes function smoothly with UC

Despite examples of localised good practice, there is no strong evidence from this research that locally devolved CTR schemes in England offer significant benefits over CTB. Over time, households in which someone works have increasingly lost out, disincentivising work and higher earnings.

Linking CTR with UC claim data and harmonising their policies to match those of UC has enabled some councils to increase automation and bring about other improvements. These have included reducing staffing costs, increasing take-up and collection rates, and helping to reduce the administrative burden on claimants. But in the context of UC’s overarching objectives to simplify benefits and ‘make work pay,’ neither default nor income-banded CTR schemes are fully fit for purpose.

What can be done to reform CTR?

Retain a localised system but with greater mandating and prescription by central government

One option would be to retain the current localised system of CTR – allowing councils to adapt their schemes according to local needs and priorities – but for the government to mandate them to adhere to certain centrally prescribed policies. These could include having the same earnings disregard, for example, or minimum prescribed levels of support

for protected groups such as carers, disabled people and families with dependent children.

Such reforms would protect the most vulnerable from the worst aspects of localisation while retaining the principle of design choice. Nevertheless, addressing the huge variation in the rules applying to different income-banded schemes remains a major technical hurdle.

Reintroduce a national CTR scheme, designed centrally, updated annually and administered locally, akin to the former CTB

The main alternative to a localised system of CTR would be to revert to a scheme designed by central government/Department for Work and Pensions but locally administered, reflecting the former Council Tax Benefit and current pension-age council tax support scheme.

Having a national scheme would remove the significant discrepancies in eligibility and entitlement arising from the different schemes operating across England, thereby addressing much of the arbitrariness and unfairness that besets the current system. The Scottish and Welsh governments could have the option of joining a new, UK-wide scheme or retain control of their own national CTR schemes.

Inevitably, there would be winners and losers from such a change. If the generosity of CTR is not to be substantially reduced, nor work incentives adversely affected, then an increase in overall funding levels would be required.

Fully integrate support for council tax within UC

A further step would be to integrate a redesigned national scheme within Universal Credit. Gradually reducing support as income rises in a more consistent and predictable way could help to mitigate some of the adverse work incentives arising from the current interaction between CTR and UC. Such an approach could help to encourage work and higher earnings.

The Institute for Fiscal Studies (IFS) has suggested that rather than receiving council tax support separately, a new 'council tax element' would cover any reduction that households were eligible for. The cash equivalent of the discount would then be added to their UC award, as is currently the case with any elements received for rent, children, caring and disability, with the total UC amount tapered as their income increased in the usual way. But, as highlighted in this research, including a council tax element in the UC award carries a greater risk of non-payment by some claimants.

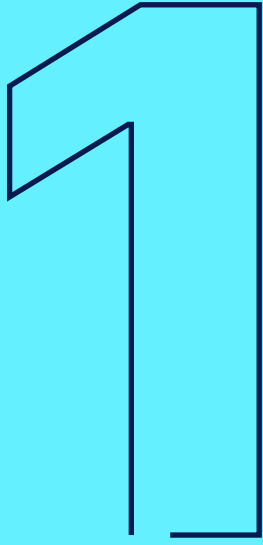
Conclusion

Further work is needed to flesh out the administrative and technical issues associated with the different options for reforming CTR. An important area of consideration will be the financial impact on UC claimants, both in relation to the incentive to enter work and to increase earnings.

In the short to medium term, reverting the funding and design of CTR to central government, while retaining local authority delivery and administration – essentially returning to the model of Council Tax Benefit – may be the simplest and least risky option. More immediately, a relatively straightforward improvement would be to expand the range of data provided to councils by the DWP in the UCDS, to incorporate existing as well as new UC claimants. This would help to increase take-up of CTR and improve administrative efficiency.

Locally devolved decision-making around help for the most vulnerable, working-age households – which carries a lower risk of legal challenge – could perhaps be more effective if this support was de-coupled both from council tax and Universal Credit. This could be done, for example, by boosting the funding of discretionary schemes, such as the newly launched Crisis and Resilience Fund.

The option of fully integrating CTR into the UC award should be explored as a possible longer-term objective linked to the wider ongoing review of Universal Credit. Ultimately, whatever reforms are made, an effective CTR scheme that protects the most vulnerable, offers decent work incentives to low-earners and is simple and efficient to administer, will require an appropriate level of funding.



Introduction

Chapter one: Introduction

Universal Credit – the UK’s main means-tested benefit and earnings top-up for working-age people both in and out of work – is crucial for helping to maintain the living standards of low-income households. Their financial well-being is also affected by the increasing cost of household bills, such as council tax.

Levied and administered by local authorities, council tax is a charge on domestic, residential properties that all homeowners and tenants in Great Britain¹ are legally obliged to pay. The amount of council tax that residents are liable for depends on a combination of the band their property is in and the amount of council tax set by their local authority, less any discounts or exemptions that may apply. Householders who fail to pay their full council tax liability can face serious enforcement action by their council, including the use of bailiffs to seize personal property and mandatory deductions from earnings or benefits to repay arrears.

Historically, council tax has been relatively affordable, with a range of benefits, exemptions and discounts available to help people on lower incomes and those who may be struggling to pay. But increases over the past two decades mean that the average bill rose by 77% in real terms between 1994-95 and 2020-21.²

At the same time, the generosity and availability of help have gradually been eroded. Not only this, local Council Tax Reduction (CTR) schemes (sometimes called council tax support), which were intended to mitigate the high cost of council tax for low-income people of working age,³ vary significantly in design and entitlement across different local authorities. More than 300 CTR schemes currently operate across England alone, creating a patchwork of local approaches. Scotland and Wales each have their own national scheme.

With eligibility, entitlement and assessment criteria left to the discretion of each local authority,⁴ the help a claimant receives crucially depends on where they live. People in similar circumstances, but in different local authority areas, can find themselves not only with completely different council tax bills to pay, but with varying levels of entitlement to financial support. Indeed, the difference in annual CTR entitlement can be as

¹ There is no council tax in Northern Ireland. Instead, there is a national system of domestic rates.

² Try, L (2025). [Money, money, money. The shifting mix of income sources for poorer households over the last 30 years.](#) Resolution Foundation.

³ A national, local authority-delivered, means-tested council tax support scheme, with rules set by the government, operates for low-income people of state pension age.

⁴ English councils must nevertheless adhere to certain basic conditions set by government. These include the legal requirement to have their CTR scheme approved annually. Where councils propose significant changes, a public consultation must take place and an Equality Impact Assessment needs to be conducted. Failure to meet these legal requirements can have serious consequences.

much as £1,400 or more.⁵ The term ‘postcode lottery’ may be somewhat overused, but its application in relation to CTR schemes is never more apt.

This matters because council tax is highly regressive – unlike income tax, it hits those on the lowest incomes hardest. At 4.8%, the proportion of income that the poorest households paid in council tax in 2021-22 was around three times higher than the 1.5% paid by the richest.⁶ Indeed, council tax liability in the very poorest families is comparable to the cost of Income Tax and Employee National Insurance combined. The financial burden of council tax on the poorest families is now closer to that faced under the much-maligned poll tax, which the current system replaced in 1993.⁷

The unfair property banding system that underpins council tax bills – using outdated house price valuations – has come under increasing scrutiny, with politicians and social commentators across the political spectrum now lobbying for reform. The differential effects that locally designed and administered CTR schemes can have on low-income households in different parts of the country has, in contrast, received much less coverage.

With the ‘Move to UC’ from the legacy system of benefits and tax credits scheduled for completion by the end of March 2026, this matters all the more, because virtually all working-age people who get CTR are now in receipt of Universal Credit. However, not all UC claimants are in receipt of CTR. Those with low earnings, or with a low-earning partner, are less likely to qualify for help.

With the government’s pledge to review Universal Credit and ‘make work pay,’ there is renewed policy interest in CTR. Particular concerns include the financial impact that local schemes can have on claimants and the differential effects on work incentives. A UC claimant earning an extra £100 after tax and National Insurance might typically lose £55 in UC, plus an additional £9 in Council Tax Reduction.⁸ Depending on the scheme, earning a few more pounds can actually leave some claimants worse off – precisely the kind of financial disincentives that UC was intended to eliminate.

Our previous research into additional sources of means-tested help for working people on UC highlighted just how uneven the landscape can be. Awareness of CTR eligibility for help, the size of any reduction awarded and the extent to which entitlement fluctuated with earnings were all highly variable.⁹ Indeed, concerns about how much help they would get, or lose,

⁵ For example, a family living in a Band D property receiving the maximum level of CTR in Doncaster would pay no council tax in 2025-26, but if they moved across the border to North Lincolnshire, which has a maximum CTR of 50%, they would have to pay nearly £1,400. See Clegg, A (2025). [The localisation era: Assessing the post-2013 rise of localised social security](#). Safety Nets. p34

⁶ Try, L (2025). [Money, money, money. The shifting mix of income sources for poorer households over the last 30 years](#). Resolution Foundation.

⁷ Try, L and Clark, T (2025). [Council Tax rises will hurt Britain’s lowest earners the most](#). LSE Inequalities blog, 10 March.

⁸ Waters, T (2026). [Universal credit review: challenges and options for reform](#). The Institute for Fiscal Studies. p5.

⁹ Griffiths, R and Wood, M (2024). [Cliff edges and precipitous inclines: The interaction between Universal Credit and additional means-tested help](#). Institute for Policy Research.

when in work also affected some claimants' decisions about whether, when and how much to work and earn. However, the sample size was small and CTR schemes and their interaction with UC were not a major focus for the research.

This follow-on study explores in greater detail and depth how Universal Credit claimants in work or self-employment understand, experience, are financially affected by and respond to different CTR schemes in England.¹⁰

The research comprised an online survey and telephone interviews with UC claimants currently or recently in receipt of CTR and video interviews with informants, including local authority officers and specialist advice agencies, with in-depth knowledge and experience in the design and delivery of CTR schemes locally and nationally.

The research investigated how the different elements of CTR scheme design – including application and administration processes; eligibility, assessment and entitlement criteria; and income and earnings thresholds – may affect take-up, household finances and the decisions UC claimants make around work.

Ethical approval for the research was secured from the University of Bath Social Sciences Research Ethics Committee in June 2025. The identities of interviewees are protected throughout via the use of aliases.

Structure of the report

The findings are set out in four further chapters:

- Chapter two draws on existing research, together with interviews conducted with key informants, to explore the history and evolution of local CTR schemes, including their design, administration and interaction with Universal Credit.
- Chapter three presents the findings of the self-administered online survey.
- Chapter four reports the findings of telephone interviews with UC claimants to describe their experiences of CTR schemes, including the links with UC and the effects on household finances and work decisions.
- Chapter five presents conclusions and options for reform.

The annex sets out the research methods and includes further details about the characteristics of survey respondents and interviewees.

¹⁰ The research was funded by Aberdeen Group Charitable Trust (registered charity number SC040877), under the Trust's prior charitable name, abrdn Financial Fairness Trust.

2

The history and evolution of Council Tax Reduction schemes and their interaction with Universal Credit

Chapter two: The history and evolution of Council Tax Reduction schemes and their interaction with Universal Credit

What is Council Tax Reduction (CTR)?

Council Tax Reduction (CTR) schemes, also known as Council Tax Support (CTS), are locally designed and administered reductions in council tax for people of working age. In the 2025-26 financial year, there were 313 separate CTR schemes in operation across England.¹¹ Scotland and Wales each have their own council-administered national schemes.

Targeted on low-income households, these means-tested schemes are different from, and generally additional to, the 25% Single Person Discount (SPD) available to people living alone. Awarded as a discount or reduction in council tax liability rather than a cash benefit, the amount of support depends both on household circumstances and the specific design and rules of the local CTR scheme.

From CTB to CTR

CTR schemes were introduced in 2013, following the abolition of Council Tax Benefit (CTB), when contributions towards housing costs were absorbed within Universal Credit, and Housing Benefit (HB) was henceforth restricted to certain eligible groups.¹² CTB – administered by local authorities but designed and funded by central government – was a reduction in liability that rebated 100% of the council tax bill for non-working people reliant on means-tested benefits and tax credits. Support for those with earned income was tapered away as earnings rose: 20p of the rebate was clawed back for each £1 of net earnings above the income support threshold appropriate for the circumstances of the household (known as the ‘applicable amount’).

During Universal Credit’s early design phase, policymakers intended to integrate CTB within UC as an element of the award to contribute towards

¹¹ Details of individual schemes, including eligibility criteria, are on each council’s website.

¹² Only people above state pension age and those living in supported, sheltered or temporary housing are now able to claim Housing Benefit.

housing costs, mirroring the treatment of the Housing Benefit. However, the coalition government's localism agenda prevailed. The government abolished CTB, and the design, administration and costs of council tax support schemes were devolved to local councils in England and to the devolved administrations in Scotland and Wales.

Localising council tax support aimed to shift decision-making from central to local and regional government, giving councils and devolved administrations increased financial autonomy and the flexibility to design schemes to suit local needs and priorities. While English councils were essentially free to devise their own schemes, they were expected to consider work incentives and ensure that 'work always pays'.

The Department for Work and Pensions (DWP) expressed early concerns that UC claimants could be disincentivised to work or earn more if the point and rate at which council tax support was withdrawn created very high marginal effective tax rates. This could potentially leave some working claimants financially worse off as their earnings increased. As such, the DWP advised local authorities:

'... to consider carefully what changes they wish to make to the current rules, and whether these improve or worsen incentives to work. For example, increasing the rate at which council tax is withdrawn could ... lead to very high withdrawal rates and claimants keeping little or no additional income from increased earnings.'¹³

To ensure that working claimants would always be better off, a 'default' scheme – which used a series of income disregards, entitlement run-ons and earnings tapers – automatically came into effect for councils that failed to adopt a new scheme by 31 January 2013. For those which chose to introduce their own scheme, the DWP issued detailed guidance to encourage them to follow a similar design, using a 20% taper against earnings.¹⁴ However, the guidance was not mandatory, and not all councils took heed.

Drivers in the evolution of CTR scheme design

Financial pressures on councils

The localisation of CTR schemes occurred alongside central government cuts to local authority funding, presenting a major challenge for councils. An initial funding reduction of 10% compared with CTB meant that councils

¹³ Department for Communities and Local Government (2012). [Localising support for council tax: Taking work incentives into account](#). p4

¹⁴ Department for Communities and Local Government (2012). [Localising support for council tax: Taking work incentives into account](#).

were never fully resourced for the cost of delivering the default scheme. With council tax support for people over state pension age prescribed and protected, working-age CTR came under increasing pressure:

‘Councils were no longer financed for the full cost of the scheme ... so regrettably [we] had to make changes, and the savings could only be made against working age ... Pension-age council tax support ... that was protected by prescribed requirements, so there simply was no flexibility within that scheme.’

Informant 4

Typically comprising the largest element of non-statutory council expenditure, funding for CTR schemes, which was not ring-fenced, was highly vulnerable to cuts:¹⁵

‘With CTR just being part of general council funding settlements, there’s always going to be a temptation to cut ... Because so much of the council budget is swallowed by statutory function, there’s very few large areas of non-statutory expenditure that can be cut. CTR ... is the largest non-statutory area of expenditure left, and therefore that’s why it’s vulnerable to being hacked, because they’re looking to make savings.’

Informant 1

Over time, as the financial pressures on councils intensified, the generosity and reach of their CTR schemes reduced and only a minority of councils now provide levels of support similar to the former Council Tax Benefit.¹⁶ The value of CTR awards for households in receipt of UC are also generally lower than they were for recipients of legacy benefits and tax credits.¹⁷

In the poorest families, CTB covered 100% of the council tax bill, but most councils now require all working-age people to pay some council tax regardless of their income. In some areas, the maximum CTR award has been reduced to as low as 40%. Many councils have also removed the second adult rebate that lowered council tax for households with a second adult on a low income. The non-dependent adult deduction (NDAD)¹⁸ is a further cut to entitlement that can reduce the amount of CTR awarded. It is based on the expectation that ‘non-dependants’ (typically adult children who may or may not be working) should contribute to household costs, regardless of whether they can or actually do.

¹⁵ Only English councils enacted cuts to CTR; Scotland and Wales have maintained the generosity of their schemes.

¹⁶ Ayrton, C, Holden, J and Kenway, P (2021). [Review of Council Tax Reduction schemes in England in 2021/22.](#)

¹⁷ Howarth, P (2020). [Analysis: The impact of Universal Credit in Wales.](#) Policy in Practice blog, 20 October. .

¹⁸ The non-dependant adult deduction (NDAD) in the context of CTR is an amount of money deducted from a householder’s entitlement if another adult (not their partner or joint tenant) lives with them. The deduction is made on the assumption they contribute to household costs, even if they do not. The specific amount deducted depends on the council. Some take into account the income of the non-dependent, while others impose a flat rate deduction. Certain non-dependents are exempt.

Local demographics and CTR cohort sizes also plays a part in the support working-age people may or may not get:

‘It’s usually driven by finance officers saying they need to save ... and it depends on the demographics. If you’re in a local authority that’s an ageing population and you can’t tinker with their scheme at all, then your working-age population has to suffer the full brunt of whatever you’re going to cut, because you can’t touch pension age.’

Informant 5

The level of deprivation is a further contributing factor. Councils with higher levels of deprivation and higher council tax bills are less likely to have generous CTR schemes.¹⁹

Less help for working people

In response to funding constraints, most councils in England have redesigned their schemes to focus the support on meeting the needs of their poorest and most vulnerable residents. While some councils have made their CTR schemes more generous, this has generally been achieved at the expense of people with earnings. Whereas households in which no one works typically receive the highest levels of support, help has become increasingly squeezed in those where someone is earning:

‘We’re sort of supposed to consider work incentives, you know, in terms of the design of the scheme ... The reality for most authorities is that the designs of schemes are financially driven usually and there isn’t enough money in the scheme, the council cannot fund the scheme, therefore your protections tend to go towards those without work, as a whole, because they’re deemed to be the more vulnerable than people in work.’

Informant 1

Higher taper rates decrease the amount of support available to households as their income rises. Many councils have raised the taper rate above 20%, while in others, financial support ends at very low levels of earnings. Others have frozen their income thresholds, resulting in an effective year-on-year cut in CTR entitlement, as the minimum wage and benefit rates have increased over time:

‘Council P, they had an earnings-only scheme, and they left it the same for, like, the best part of four or five years, they didn’t change the thresholds ... So every year ... as minimum wage and so on was going up, their thresholds were static, they were just cutting for earners year on year effectively ... Theirs was pretty punitive against earners, unfortunately.’

Informant 1

¹⁹ Try, L (2025). [Money, money, money. The shifting mix of income sources for poorer households over the last 30 years.](#) Resolution Foundation.

All such changes have disproportionately affected working claimants, many of whom have lost entitlement to CTR altogether:

‘We had at that point maybe about 2,000 households who were on council tax support in work ... All of those would have had a reduction in entitlement and there would have been ... a proportion of those that have lost entitlement completely through the changes that we brought in ... I think the group that lost out were those that are in work.’

Informant 3

Most councils offer alternative payment arrangements and separate funds – including Discretionary Housing Payments (DHP), Exceptional Hardship Payments (EHP) and the Household Support Fund (HSF) – are also available to provide extra support for people suffering serious financial hardship. However, the help on offer is discretionary and households in which someone is working rarely qualify.²⁰ It remains to be seen whether the government’s newly launched Crisis and Resilience Fund,²¹ which will replace the HSF and DHP from April 2026, will help to plug the gap.

Restricting the reach and generosity of CTR schemes, however, can have perverse outcomes for councils longer term. As eligibility criteria have tightened and affordability of council tax has declined, councils’ collection rates have reduced and arrears have increased,²² creating problems further down the line:

‘[Cutting] the scheme in the short term [is] to help budgets but ... the medium to long-term impact of those cuts is just storing up trouble ... You get into a doom loop where people are not paying in year, then they move into the next year, they’re still paying the previous year, then they’re not able to pay that ... and then that cycle just repeats year on year... and then you just end up with this vast swathe of council tax arrears that’s just never going to be recovered ... Cutting CTR schemes as a whole has not had good impacts on collection rates.’

Informant 1

Reducing councils’ administration burden

The desire of councils to reduce staff time and administration costs has also been a key driver of changes in CTR design:

‘They not only want to make budget cuts ... but they want to make automation changes, they want to make policy changes

²⁰ For further analysis of discretionary funding, see Griffiths, R (2022). [Universal Credit, Working Claimants and the government’s Cost of Living Support](#). Institute for Policy Research.

²¹ The Crisis and Resilience Fund is a revenue grant to local authorities in England to support low-income households who encounter a financial shock, such as sudden income loss or unexpected household expenses. It replaces the Household Support Fund (HSF) and Discretionary Housing Payments (DHPs). See: Department for Work and Pensions (2026). [Guidance: Crisis and Resilience Fund: Guidance for local authorities in England \(1 April 2026 to 31 March 2029\)](#).

²² Bahia, I and Walker, R (2026). [A path to better Council Tax Support schemes](#). Policy in Practice.

that will mean they don't have to be as hands on with each claim.'

Informant 5

Households in receipt of UC can experience four times as many changes in their CTR entitlement over a year compared with households in receipt of legacy benefits and tax credits.²³ This is largely because UC is assessed monthly, as opposed to annually under tax credits. Each week (sometimes daily), councils receive tens of thousands of Universal Credit Data Share (UCDS) electronic records. The UCDS electronic file contains near-live updates on the changing circumstances of all UC claimants in their area, which councils use to update their systems, determine eligibility for CTR and, in some cases, contact residents who may be eligible for support.

Frequent reassessments of UC awards, due to changing levels of monthly earnings, result in corresponding reassessments in the calculation of entitlement for CTR. If CTR support levels change, a new council tax bill (called an adjustment notice) is automatically generated, increasing administration and postage costs. Receiving an endless series of revised council tax bills, each with a different level of support and potential debt recovery notices, can also cause confusion and budgeting difficulties for householders:

'People were getting, like, 11 new CT bills a year because they kept getting re-calculated ... And if your council tax support gets re-calculated, we've got to pause any recovery or payment plans.'

Informant 5

These UC-related issues have led many councils to abandon their default scheme in favour of income banding, which lowers administration costs and, some claim, reduces complexity for claimants. In these schemes, the amount of CTR only changes if income or earnings involve a move between the income bands. Income-banded schemes are explored in greater detail in chapter four.

Greater fairness for working people

While funding constraints continue to shape local decision-making, the design of CTR schemes in some councils has also been driven by a commitment to greater equity and fairness, including for low-earners, together with a desire to counter successive governments' more punitive welfare policies, such as the two-child limit:

'The purpose of the change in scheme was to make it equitable, because ... the UC system itself isn't fair ... We have exactly the same household make-up, two claims, exactly the

²³ Ashton, J et al (2020). Understanding the impact of Universal Credit on the Council Tax Reduction scheme and rent arrears in Wales: Final Report. Welsh Government.

same number of children, one could be £1,000, £1,500 better off ... just because of when their children were born ... And it wasn't fair that some households were managing to access council tax support having greater income than somebody working who couldn't even access UC ... We had to level that up.'

Informant 2

Ultimately, however, the ability of any council to adapt their CTR scheme in response to local needs and priorities, and to provide better incentives for claimants who work, is constrained by limited resources. Improved work incentives for existing CTR claimants, for example, generally extend CTR eligibility higher up the earnings distribution, inevitably making such schemes more costly – something that councils can find hard to sustain:

'In reaction to the cost-of-living crisis, we reduced our earnings taper at that point down to 15%, so for a brief period of time, I'd say we had one of the most generous schemes for council tax support. Then last year we changed our scheme again ... that was on the basis of facing a much more difficult financial climate and so the changes last year were about reducing the level of support.'

Informant 3

Paradoxically, changes in the design of UC, including a reduction in the taper rate²⁴ and increases in the work allowance amount (earnings disregard),²⁵ have also limited councils' ability to incorporate better work incentives into their CTR schemes. This is because allowing claimants to keep more of their earnings generally reduces entitlement to CTR:

'Inadvertently they've penalised people on CTR by virtue of ... reducing the tapers for earnings on UC ... The outcome from that is you allow people to keep more of their earnings before you start tapering it off. And you've got the work allowance ... so by extension, they have higher UC awards ... they're keeping more of their earnings ... Higher income means less CTR ... so the more generous you make the award within UC, the worse it is for CTR.'

Informant 1

All informants said that improving work incentives and increasing the generosity of CTR schemes for low-earning people crucially depends on the budget allocations made to councils by central government. Simply put, improving the schemes to encourage work and higher earnings will require more funding:

'If you want to help earners on the CTR, you have to provide more money for the schemes ... And there isn't any.'

²⁴ The UC taper rate reduced from 63% to 55% in 2021, meaning that claimants get to keep more of their earnings before the UC award is tapered away.

²⁵ In 2025, the work allowance (the amount that working parents and those with limited capability for work can earn before the UC taper is applied) was £411 per month if the UC payment includes housing costs, or £684 per month if it does not. The rates for 2023 were £379 and £631 respectively.

Unfortunately ... with CTR just being part of general council funding settlements, there's always going to be a temptation to cut.'

Informant 1

CTR scheme types and characteristics

In response to these different drivers, the current design of CTR schemes in England can broadly be grouped into three main types: traditional/legacy/default schemes, income-banded schemes and discount schemes.

Traditional/legacy/default schemes

Traditional or legacy schemes, also described as 'default' schemes, are more closely aligned to the former Council Tax Benefit, with a taper applied to earnings above any earnings disregard that a particular council may offer. The annual review of CTR schemes by the organisation entitledto showed that in 2024-25, around two-thirds of councils operated traditional or default schemes.²⁶ The taper and the earnings disregard amount vary depending on the scheme. Many councils have retained the 20% taper rate that applied under CTB, but a new taper rate has been implemented by 30 councils, of which ten have increased it and 20 have decreased it.²⁷

One of the advantages of default schemes is that the support tapers away gradually as income rises. A key disadvantage is that under UC, virtually every change of income, however small, requires a reassessment of CTR entitlement:

'The default scheme is a very reactive scheme ... A 50p change in the UC award would result in a new CTR award ... and payment cycles of instalments to pay council tax re-profiles the instalment for the next month, and then this cycle just repeats ... So some people would have 12 changes in the year ... So a lot of paperwork, a lot of change, no consistency over what they have to pay.'

Informant 1

As noted previously, because UC is assessed monthly, changes in earnings and circumstances can give rise to thousands of council tax 'change notifications' being issued each month, increasing the administrative burden on councils, while potentially creating confusion and budgeting difficulties for claimants:

'UC data shares ... you could get someone whose UC is literally changing by pennies and ... under a legacy system, every penny would potentially count, and ... small, small alterations, it

²⁶ entitledto (2025). [Review of council tax reduction schemes 2025/2026](#).

²⁷ Oulton, M and Wernham, T (2026). [How does council tax support shape household incomes and work incentives?](#) The Institute for Fiscal Studies.

would kick back instalment dates, which then creates the sort of bottleneck.'

Informant 4

The frequent reassessment of and volatility in CTR entitlement has emerged more prominently as the rollout of UC has reached its conclusion. In response, many councils are looking to adopt income-banded schemes as a means of reducing volatility and administration costs:²⁸

'Most income-banding schemes are driven by interaction with UC and the way that works, you know, UC doesn't work particularly well with the default scheme, the two things don't go well together ... one of the reasons being just a continual re-profiling of claims, because obviously UC being a monthly award, a monthly benefit, it generates a vast amount of change.'

Informant 1

Others have introduced a 'de minimis' rule that disregards income changes that affect the CTR award by less than a specified amount, or have used 'administrative suppression' of small changes in income to reduce volatility. Reviewing CTR entitlement every three, six or even 12 months, rather than whenever a change notification is received, is another method some councils have used to reduce volatility and uncertainty for claimants.

Income-banded schemes

To counter the volatility and high administrative cost of traditional schemes, increasing numbers of councils in England are switching to income banding as a means of determining the level of support for working-age householders. Here, the reduction in support is stepped over a series of council-determined income rises, rather than tapered. Different income bands correspond to a set percentage reduction in entitlement (typically 75%, 50%, 25% etc.) as income and earnings increase. In such schemes, small changes in earnings that leave householders in the same income band would not generally trigger a change in the amount of CTR, making them less volatile than default schemes.

'Now we're using the income band, so as long as their income doesn't go below or over the tolerance in that band, they won't see a change in their support. If it does go over, then they will get a new bill. So we're expecting it to reduce the number of bills somebody gets ... we are expecting a little bit more stability.'

Informant 2

Around a third of CTR schemes in England are now income-banded, double the number in 2019,²⁹ and almost half have adopted a banded scheme for

²⁸ Bahía, I and Walker, R (2026). [A path to better Council Tax Support schemes](#). Policy in Practice.

²⁹ Bahía, I and Walker, R (2026). [A path to better Council Tax Support schemes](#). Policy in Practice.

new claimants. As well as being easier for councils to administer, income-banded schemes are claimed to be simpler for UC claimants to understand and manage. Some say these schemes also make it easier for claimants to calculate changes in CTR entitlement when earnings increase, thereby facilitating work incentives:

‘Using the income-banded system, you can see what difference those few extra hours [of work] would make. You could work it out yourself. Didn’t have a hope in hell before, working out how much support you’d lose or not lose from the previous scheme, you’d have to be Stephen Hawking to work out, but you can do that now.’

Informant 2

Others challenge the claim to simplicity:

‘[There are] many reasons ... given for going banded ... dealing with change notifications, transparency, easier to understand. But then, it’s like ... how many household types are you going to have? What income are you going to take into account, what income ranges are you going to use? Are you going to uprate your income ranges every year by [the consumer price index]? Are you going to uprate them by increasing the national living wage ... Or are you not going to uprate them at all?’

Informant 5

Another important argument against income banding is the creation of cliff edges. This can happen when a small increase in income results in a band change that reduces CTR entitlement, sometimes by more than the additional earnings, leaving affected people worse off overall:

‘You’ve got the multiple cliff edges, which is the obvious problem with banded schemes ... Some [have] got no earnings disregard, so the first pound you earn is taken into account, and you [can] drop from 80% support to 50% support for that first pound. So you lose, like, 30% of your CTR the minute you enter work ... those schemes particularly are punitive.’

Informant 5

In this way, depending on the scheme design and the size of the cliff edges, income banding can reduce work incentives:

‘Does the scheme act as a disincentive? Yes, it does. Income-banded schemes as a whole suffer from the cliff edge issue ... so an extra five quid a week in earnings might send you over the threshold of that income band, you’ll probably end up worse off from the extra £5 that you’ve just earned because ... then your CTR award drops and your bill goes up, and actually you’ll probably come out of it worse off potentially from a very small change of earnings and income. And that’s always been the issue with income-banded schemes, you know, the cliff edge between each income band ... if it’s too big, it can be a disincentive.’

Informant 1

In a similar vein, recent research argues that although income-banded schemes are administratively simpler for councils, they can add complexity to claimants' work incentives, because small increases in earnings can trigger significant reductions in CTR entitlement. Although in some cases claimants would lose no CTR by working a few more hours, others could face marginal tax rates in excess of 100%. In these cases, affected individuals would be worse off by earning more.³⁰

Discount schemes

Discount CTR schemes do not apply a monthly means test, but use a combination of household type, receipt of a qualifying benefit and declared earnings as the basis of entitlement. Unlike default and income-banded schemes, they typically operate entirely independently of Universal Credit through a discount code on the council tax bill, in the same way as the 25% SPD applies for people who live alone.

Discount schemes generally base eligibility and entitlement on self-declared employment status and income at the time of application, reducing the need for verification checks and reassessments. Some schemes operate fixed income periods during which the support remains in place for a set amount of time regardless of any changes to household income. Any changes in earnings or UC entitlement during the fixed income period do not affect the amount of the reduction or council tax liability.

Discount schemes are generally much easier for householders to apply for and understand, while significantly reducing administration and costs for councils. However, a key drawback is that the highest support may not necessarily go to the poorest households. Household income and changes of circumstance based on self-declaration can also significantly increase the risk of overpayment and fraud. For this reason, only a minority of councils, generally smaller ones, operate CTR schemes in this way.

Eligibility, entitlement and assessment criteria

Within each of the three categories of CTR scheme, different rules apply in each council for determining eligibility and entitlement. They include, but are not restricted to:

- Capital limits (savings) for determining eligibility
- The maximum amount of support available and which groups are entitled to receive it
- The 'applicable amount' – the amount of income a household can receive before any tapering starts

³⁰ Oulton, M and Wernham, T (2026). [How does council tax support shape household incomes and work incentives?](#) The Institute for Fiscal Studies. p16.

- What counts as income and what income is disregarded
- What counts as earnings, what earnings are disregarded and how earnings are assessed
- The size of any earnings taper
- The amount and applicability of deductions for non-dependent adults living in the household
- Entitlement run-ons when circumstances change

Some councils also apply a council tax band restriction that limits entitlement to the maximum applicable to lower property bands.

Complicating things further, in some schemes, entitlement varies according to household type – up to six types in some councils – while in others the scheme is a ‘one size fits all,’ irrespective of household size or composition. Addressing the complexity and effects of all these different scheme criteria lies outside the scope of this research.³¹ Below we consider some of those more likely to affect UC claimants living in a household where someone is in paid work or self-employment.

Capital limits

Under CTB, the capital (or savings) limit for eligibility was £16,000, which is also the upper capital limit for UC eligibility.³² Many councils have retained this upper capital limit (UCL) for CTR eligibility. However, increasing numbers are choosing to align their capital limit to the lower £6,000 threshold. With tariff income calculations for capital of between £6,000 and £16,000 no longer a requirement in this scenario, ease of administration appears to be a key driver.³³ For new UC claimants applying for CTR, with a capital limit of £6,000, the amounts are automatically included in the UC data share, making verification simple.

‘Capital, we say £6,000 ... because we don’t want to have to verify it, basically. So if DWP have not picked up any capital over that amount, then we’re not interested, basically, so it saves us time.’

Informant 1

³¹ The Institute for Fiscal Studies (IFS) has addressed some of this complexity in their recent report: Oulton, M and Wernham, T (2026). How does council tax support shape household incomes and work incentives? The Institute for Fiscal Studies.

³² UC claimants (and their partners, if UC is claimed jointly) who have capital between £6,000 and £16,000 are assumed to have a ‘tariff income’, which currently reduces UC entitlement by £4.35 for every £250 of capital over the £6,000 threshold.

³³ A few councils have written tariff income out of their schemes while retaining the upper capital limit of £16,000.

However, for existing UC claimants who want to claim CTR due to a reduction in earnings, for example, a manual verification must still be conducted.

What counts as income, what income is disregarded and how it is assessed

Councils must decide what counts as income, what income is disregarded and how income is assessed. Treatment of the UC award is a key point of difference, particularly in income-banded schemes.³⁴

Some councils treat the whole of the UC award as income. Others selectively disregard certain UC elements, such as the housing element, carer's element, disabled child element and limited capability for work related activity (LCWRA) element. Some councils disregard transitional protection payments,³⁵ while others include it. Some ignore deductions for sanctions, while others do not. 'Earnings-only' schemes disregard the whole of the UC award, alongside all other unearned income and benefits.

The treatment of benefits intended for dependent children is another important point of difference. Some councils count child maintenance as income, while others disregard it (historically, Child Benefit was always disregarded as income). In some councils, it is disregarded for a maximum of two children. Others only disregard Child Benefit for the first child while some include all Child Benefit as income. There are also variations for children under and over the age of five. For example, some apply a percentage disregard or only treat Child Benefit as income for children over five.

Many councils disregard the childcare element of UC, as contributions towards childcare were under Working Tax Credit, but others count UC help with childcare costs as income. This difference not only has serious financial implications for working families, but can significantly undermine work incentives for unemployed parents who want to move into work:

'The [UC] childcare element ... how schemes deal with the income ... varies. Some take it into account as income, so UC will try to help you with one hand, pay for childcare and then your council is going, well I'm going to treat that as income when I'm calculating your [CTR] ... so they're going against each other! The incentive isn't the same, because one is trying to help you into work and the other one's saying, well I'm going to count that as income.'

Informant 5

³⁴ This is because income-banded schemes do not compare income against need (the 'applicable amount') to determine support, like legacy schemes do.

³⁵ Transitional payments (or the 'transitional element' in UC) are temporary top-up payments for people moved to UC via 'managed migration' to ensure their income does not fall if their UC entitlement is lower than it was under legacy benefits and/or tax credits.

Whether CTR schemes treat Carer's Allowance and the UC carer's element as income is particularly fraught:

'You get the ones where they'll disregard carer element but not Carer's Allowance, or they'll disregard Carer's Allowance but they won't disregard the carer's element. And Carer's Allowance counts as income for UC, so if you claim it, it does reduce your UC pound for pound. So that's why some people don't bother ... but if that scheme ignores Carer's Allowance, you're better off because it's reduced your UC, so less of that's being taken into account ... so you would be better off claiming council tax in those areas ... It's so complicated that I don't think even when they're writing the schemes they understand the impact.'

Informant 5

The treatment of Carer's Allowance and the carer's element of UC requires councils to take special care to avoid the possibility of double counting of income. In September 2025, following a legal challenge, the High Court ruled that Trafford Council's CTR scheme for 2025-26 was unlawful because it discriminated against carers and people with disabilities. The council had to end the scheme and compensate affected households.

Treatment and assessment of earnings

The treatment and assessment of earnings is another domain in which schemes' rules vary considerably, resulting in different financial impacts for claimants living in different council areas. Most councils have a weekly earnings disregard that reduces the amount of net applicable earnings used to calculate CTR entitlement, but the exact amount varies significantly. For ease of administration, some offer a flat rate disregard irrespective of household type. Others vary the amount depending on household composition:

'The earnings disregards for the schemes that are running this year ... To make administration easier ... so you're not having to process those claims ... flat rate earnings disregards range from £7.50 to £50 a week, depending [on] where you live.'

Informant 5

Large variations in earnings disregards and household type rules mean that claimants in the same circumstances and with similar monthly net earnings, but living in different council areas, can receive very different amounts of CTR:

'Some schemes will have three different rates of earnings disregard; some will have five! Some will have a disregard if you have children or not children ... there's no consistency. So it's not just the amounts, it's who they're awarding them to ... Some schemes will have ... a flat rate [of] £25, but they won't apply it to you if you're a UC claimant, that will be just if you're a legacy or non-UC claimant. So ... the amounts and who gets it is another entire lucky dip.'

Informant 5

Some councils that previously applied an earnings disregard are now consulting on removing it because they consider the work allowance in Universal Credit to have previously ignored some earnings (even though many UC claimants who work are not entitled to receive a work allowance):

'[Council M] they've always applied an earnings disregard and they consulted this time on removing it because UC already apply one ... They're benefiting twice ... They're ... basically saying, well if we apply an earnings disregard as well, then that person's getting two disregards, the work allowance in UC and the earnings disregard we're going to put on it [but], the work allowance doesn't apply to everyone, you have to have a child or a disability.'

Informant 5

The treatment of self-employed earnings gives rise to another complex and diverse set of rules. Some councils use the Universal Credit Minimum Income Floor (MIF) as the basis for determining self-employed earnings, while others use actual earnings. The MIF is an assumed level of earnings used as the basis of calculating UC entitlement among claimants who have been self-employed for more than a year. If earnings are lower than the MIF, this can mean that they receive a lower UC award than would otherwise be the case if actual earnings had been used. Most claimants will have a lower CTR if the MIF is used, because the level of earnings applied in the calculation of entitlement is assumed to be higher than it actually is. However, because use of the MIF would generally result in a lower UC award, this can correspondingly mean a higher entitlement to CTR. Whether any particular self-employed claimant is better or worse off therefore depends on the particular scheme.

Council B chose to ignore the UC MIF policy, believing it to be unfair and counterproductive as it undermined the ability of self-employed residents to pay their council tax:

'Minimum income floor is an awful outcome for CTR claimants, dreadful, because by definition they haven't had that money ... You get a slightly perverse outcome in the sense that ... their actual UC is being reduced by the fictitious earnings ... So actually our MIF cases are getting paid more because their UC part of their award is less because it's been reduced by the fictitious earnings. So we end up with those cases getting more CTR ... So for us, the MIF cases get more, for a lot of authorities the MIF cases will get a lot less.'

Informant 1

Some councils have devised their own MIF level, rather than using UC's definition, resulting in further discrepancies:

'The majority had made up their own rules for how to calculate a minimum income floor, they hadn't followed UC's ... They decided not to copy the rules that were in place and made up their own! So they say everybody who's self-employed in our scheme has to work 35 times minimum wage, without any exceptions for carers, people with children ... which is truly

unfair ... when there's an established system for calculating minimum income floor ... When you're getting your earnings data from UC, why are you calculating your own minimum income floor anyway?'

Informant 5

Such locally devised policies have landed some councils in court. In 2023, following a legal challenge, the London Borough of Croydon was required to exempt disabled individuals from the MIF after its policy was judged to be discriminatory.³⁶ In a further judicial review claim brought against Three Rivers District Council in February 2026, the High Court declared that the local authority's Council Tax Reduction scheme unlawfully discriminated against disabled residents entitled to transitional protection as part of the move to UC from legacy benefits.³⁷ In addition to refunding the claimants' legal costs and overpaid council tax, the local authority was ordered to disregard UC transitional protection payments for all affected residents. The High Court also recently granted permission to proceed with a judicial review challenging the lawfulness of Somerset Council's tax reduction scheme for disabled people moved across from the legacy system onto UC.

In these cases, funding constraints and automated systems that can inflate disposable income due to technical issues such as software limitations – as argued by the councils – were deemed to be legally invalid for the defence of discrimination. Moreover, these judgements were not limited to the individuals making the legal challenge but also extended to household members and carers who were similarly financially disadvantaged.

The variability and arbitrariness of policies adopted by different CTR schemes are thus not merely technical matters. The rules can have profoundly different financial impacts on otherwise similar families, purely because of where they live. Differences of up to £1,500 per annum are not unusual, a finding also confirmed in this research:

'We used [a benefit] calculator ... it was a lone parent with two children in school, and we gave them the same council tax bill, which isn't realistic because the bill would vary across the country, but we gave them the same bill, just to run it through in different areas to see what support they'd get ... And in some areas they got full support ... the maximum was about £29 a week for that household, and in some areas they got no support ... and it's purely down to the postcode lottery.'

Informant 5

³⁶ Leighday (2023). Croydon Borough Council ordered to pay blind self-employed Dr Yusuf Ali Osman £500 damages over 2022 Council Tax Reduction scheme. 23 March.

³⁷ Garden Court North Chambers (2026). Council tax reduction scheme unlawfully discriminated against Universal Credit claimants. 6 February.

In this context, the long-established principles in UK social security of equity between households in similar circumstances has become seriously compromised:

‘It’s almost like you’ve franchised something, and you go in one and you get one level of service, and you’d expect it in another but that franchise is run very differently. And this shouldn’t be the case when you’re dealing with people’s lives, when you’re dealing with people’s finances and whether they can afford their bills.’

Informant 5

Degree and integration and automation with Universal Credit

Another differentiating feature of local CTR schemes is the degree of automation and the extent to which administrative processes and rules align with Universal Credit. With the full rollout of UC virtually completed, most councils now operate schemes that are closely integrated with UC systems, although the level of automation in administrative processes varies from one council to the next. Access to UCDS records, which contain details of all UC claims for people living in each local authority area, together with their monthly income, has facilitated this.

The DWP sends all councils a daily updated list for working-age residents who claim UC. For ease of administration, most now use these data to confirm applicants’ identity and to determine and verify eligibility for CTR. This has enabled some councils to bypass the CTR application process altogether, thereby improving take-up:

‘To address the issue of take-up ... the [UC] data share file that came in, we started accepting that as a claim [for CTR]. So rather than making them claims separately, we would just accept that the DWP data share notification as an application, again, very easy and effective way to deal with take-up, because the reality is that lots of those people simply won’t claim, even though they’re entitled ... We get all the details we need from the UC data share files ... using UC data share as an application form is effective ... The problem with the take-up is simply sending people letters to say you are eligible to claim does not work.’

Informant 1

Access to UCDS has also largely eliminated the need for UC claimants to separately provide evidence of capital, household income and earnings, significantly reducing the administrative burden for councils and claimants:

‘If you’re working age, getting UC, you don’t actually need to speak to us at all. If you tell DWP that you want to share your information with us, we’ll just pick it up and do it, we actually

don't want customers if they don't need to, to get in touch. There is nothing left anymore that somebody would have to provide to us separately that they are not already providing through the DWP ... We are also making sure that all our interests are set with the DWP ... If somebody comes to us and even makes a whiff that they might be interested in CTR, we'll treat that as a claim ... If you're already jumping through hoops to claim ... why do you need to jump through a hoop at our end? ... We've designed our scheme around nothing but the DWP information. We will trust what the DWP notification says.'

Informant 2

Using the same HM Revenue & Customs-generated real time information (RTI) monthly earnings data has similarly allowed for the automatic adjustment of CTR when earnings fluctuate. This is administratively simpler than claimants uploading their wages slips each month, but also prone to the same errors and inaccuracies that can affect earnings data uploaded by employers to HMRC's system:³⁸

'Earnings are essentially lifted up off the UC award ... So we use the net income, the net earnings of the claimant, alongside the UC award ... we apply the categories of the UC award essentially ... it replicates [the RTI data] ... There was obviously that historic issue of two assessment periods of earnings, nil qualifying UC, nil qualifying CTR at the same time ... So that issue is there.'

Informant 1

Suggestions for improvement

Greater prescription

Informants generally agreed that to reduce the arbitrariness and unfairness arising from so many different CTR schemes, there should be a much greater degree of prescription imposed by central government regarding minimum levels of entitlement, particularly in relation to certain protected groups or those warranting extra help:

'They already prescribe a pension-age scheme ... there's nothing to stop them prescribing something for working-age [claimants] ... So it becomes a bit of a pick and mix, so you'd still have variety but you'd have less of the extremities [sic] ... It would be nice to take the worse edges off ... to say that ... you're not going to go below 70% if you're on disability benefits or if you're out of work ... a carer, you've got young children.'

Informant 5

³⁸ The issue of multiple counting of earnings and errors replicated in the RTI system as a result of inaccuracies in data uploaded by employers to the HMRC system is covered in several of our previous UC research reports.

With a renewed focus on the eradication of child poverty, informants felt it important to rationalise the rules applying to low-income families with dependent children – for example, mandating all councils to disregard Child Benefit income:

‘[They could] try and take the worst excesses of these policy choices, like ... saying you must treat Child Benefit the same way across all schemes ... Child Benefit, we’re just going to disregard it wherever you are ... you might be able to get a prescribed aspect on that.’

Informant 5

They felt that the trend towards the adoption of income-banded schemes poses particular challenges, given the huge range of policies, eligibility criteria and rules regarding the treatment of income:

‘I don’t know how it would work for banded schemes ... There’s no consistency ... on who gets that maximum support, you couldn’t even prescribe ... a minimum support level ... because there’s not one definition of it across all banded schemes ... I think we’ve got 126 banded schemes at the moment, out of ... 296 local authorities. So if it keeps going that way ... it’s going to make it even harder to prescribe changes, or to try and take the worst excesses of these policy choices.’

Informant 5

By ignoring all income other than earnings, some felt that ‘earnings-only’ schemes offered greater potential to improve work incentives. However, depending on their design, such schemes could be very costly to run, particularly in areas with high levels of unemployment and economic inactivity:

‘Some schemes ... do earnings only in terms of their income banding, so they ignore absolutely everything else ... Those ones ... have more potential to be able to be generous to earners ... you could make those [income] thresholds more generous, which would increase their potential CTR awards. The problem ... for us, [is] those schemes were too expensive because we had too many people outside of work ... If we just disregard everything else, it’s too expensive for us to do, because everyone gets maximum.’

Informant 1

Integrating CTR with Universal Credit

Another challenge was whether and how to integrate council tax support within Universal Credit. Eligible claimants currently receive CTR as a discount on the council tax bill, rather than as a cash payment. Some informants thought that increasing the UC award to include a contribution towards council tax was not only administratively complex, but inherently risky if claimants did not use the uplift for its intended purpose:

‘I find it very difficult to see how you could put CTR into a UC claim as a whole, because I mean you’ve got so many

different authorities, so many different charges ... I think administratively it would be quite difficult ... We have seen DWP struggle with the housing cost side of UC as well, so sticking council tax into it and then getting that paid over, allocated to accounts ... on the council side, is probably going to be quite difficult ... As for putting it into UC, not keen on the idea ... I'm just not convinced that is possible.'

Informant 1

The increase in rent arrears that followed on from inclusion of a housing cost element within UC did not bode well, some said, for integrating a council tax element into UC:

'When you see the experience of the housing element being included, and the impact that's had on rent arrears I think it would be a big worry.'

Informant 3

This said, some saw embedding CTR within the UC award as the best way of addressing the perennial issue of low take-up:

'Even though I'm very sceptical about how difficult it is administratively, clearly centring CTR in UC is probably the most effective way to address take-up. Because that's why it worked before with Housing Benefit because the two things went hand in hand, you applied for one, so by extension you got the other ... So all they'd have to do would be to say, well I've got a council tax liability and then ... the DWP would do the calculation and ... it would be paid ... [This] is probably going to be the most easy, effective way to deal with take-up.'

Informant 1

Ultimately, with UC's proclivity towards monthly variation, and with so many pressures on family budgets, informants saw absorbing a council tax element within the UC award as likely to have adverse impacts both on council collection rates and levels of arrears among claimants:

'If it was integrated ... from a recovery point of view, I think that would become very difficult, especially the pressures around balancing and budgeting ... and with those constant fluctuations of these [UC] assessment periods ... I think that would cause huge difficulty. I'm not sure if that's helpful to the customer either ... I think that would be very difficult. I don't see that as favourable to either local authorities or the customer, personally.'

Informant 4

Improvements to IT and the UC data share

Informants suggested that improvements in IT, and in the range of data provided to councils by the DWP in the UCDS, could improve take-up and administrative efficiency. Under current data sharing arrangements, CTR claims do not automatically trigger if someone who is already claiming UC loses their job or suffers a drop in earnings that brings them into CTR

eligibility. This is because the UCDS does not include household and capital breakdowns for existing claimants, only income. Plugging this data deficit could help to improve CTR take-up rates:

'If it's a new claim, you get household and capital breakdowns in the data share. Outside of that, you only get income details, you don't get capital or household details ... so that then leaves a gap where people then they've not had CTR before but they become entitled ... One of the reasons why ... is not all the [UCDS] files give us all the information that we would need. So ... if it's a new claim, you get household and capital breakdowns in the data share. Outside of that, you only get income details ... So if you changed that, it would be a lot easier ... an improvement in the data you get from the data share would actually help that.'

Informant 1

Informants also said that the variable effectiveness and functionality of the different IT systems and software used by different councils, together with the cost of system redesign and upgrades, needs to be addressed:

'Local authorities ... we don't all use the same systems. So some systems are not as capable of pulling that data in as others, and I would say the software suppliers are not ... they are good, but if you want anything slightly over the norm, you have to pay for it.'

Informant 2

A new, national CTR scheme

With so many unresolved and potentially costly technical issues, some informants felt that the only way to achieve greater consistency, fairness and efficacy was to reintroduce a nationally designed CTR scheme:

'I think the fairness aspect is above and beyond the main issue ... because we shouldn't have a situation where the same household moving an authority would have different support in exactly the same situation, same income ... it shouldn't matter that you live in a different place but ... in one area you've going to get full support, in [another] area you're going to get nothing. It's not the claimant's fault that council tax support is localised ... So nationalisation in order to get everybody working by the same rules, so that the postcode lottery is removed, would be ideal.'

Informant 5

To others, reintroduction of a national scheme felt like a backwards step in terms of the input and effort councils that had put in over the years to design and re-work their own CTR schemes according to local priorities:

'If we go back to CTB ... I'd feel like we've gone through about 15 years of pain to go back to that!'

Informant 3

Centralisation would also unavoidably mean losers as well as winners. Some local authorities were concerned that a national scheme would be less generous to claimants than their own:

‘I would hate it to move to a national scheme that was less generous than what we do.’

Informant 3

On the other hand, some felt that the pressure on council officers to design and manage a fiendishly complex set of local rules, while remaining lawful and fair to all was a huge responsibility, particularly in the context of recent legal challenges. Being relieved of that task by having the DWP design the scheme would therefore be welcomed:

‘I feel such pressure to get it done right ... to ensure that legally our scheme is accurate and ... I feel that it’s very unfair to put on local authorities ... it’s a very specialist and specialised role ... So for that reason, I would be happy for it to go national, back to central government because ... [It’s] a very challenging thing ... it’s huge.’

Informant 3

Boosting the funding of further investment in local discretionary schemes was suggested as a possible compromise and a useful way of retaining some council control and input over local needs and priorities:

‘If there was a strong national scheme, I wouldn’t feel like there’d need to be a local addition but that’s probably where the discretionary scheme comes into play, to add on to that.’

Informant 3

3

The self-administered online survey

Chapter three: The self-administered online survey

Between June and October 2025, we invited UC claimants who were either working themselves or living with a working partner, and who were currently receiving or had recently received CTR, to complete an online survey. We carried out this research in collaboration with entitledto, a charitable organisation that operates an online platform for checking benefit entitlements, and embedded the survey link in their online benefit calculator.

The survey had two key objectives: to gain broad insights into the experiences of CTR application and receipt among working Universal Credit (UC) claimants, and to recruit participants for more in-depth qualitative interviews.

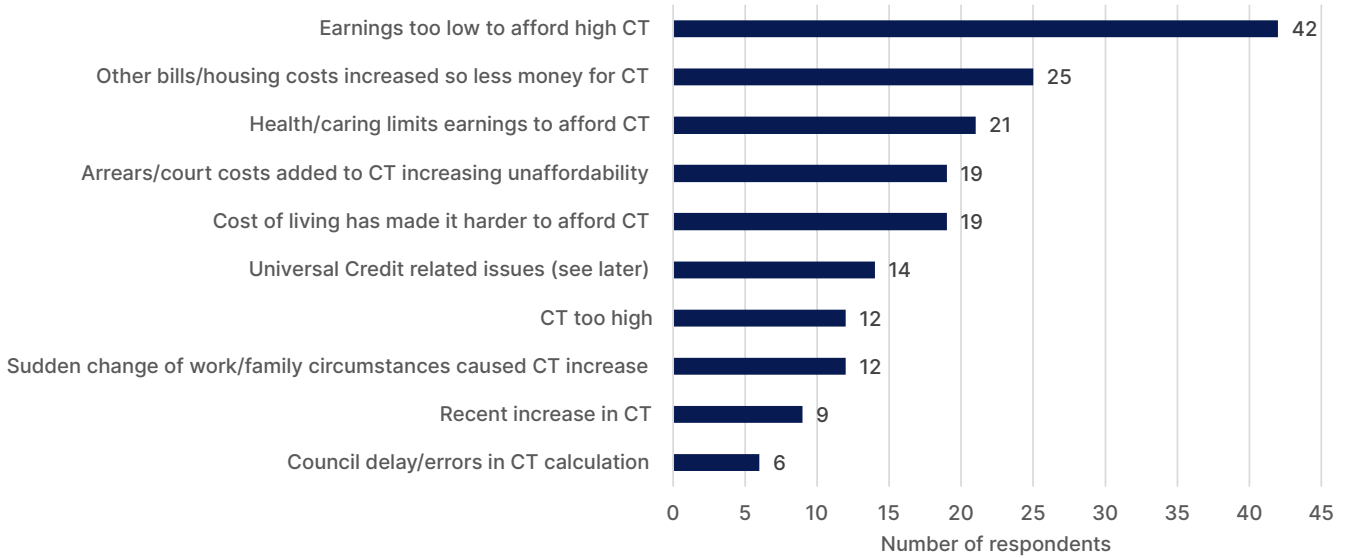
The findings that follow draw on the 160 survey respondents who met our eligibility criteria. During the qualitative interviews, it became clear that a few participants had applied for Council Tax Reduction (CTR) but were still awaiting the outcome, meaning that the discount had not yet been awarded or applied. As a result, it is likely that some survey respondents had not yet received their CTR at the time of completing the survey. We have included their survey responses as they nevertheless offered valuable insights into application processes and procedures. The annex provides further details of research methods and full details about the characteristics of survey respondents and interviewees.

Council tax affordability

A significant majority of the 160 respondents (80%) reported that they were struggling to pay their council tax even though, in all cases, someone in the household was working. Among the 94 respondents currently receiving CTR, 76% reported difficulties paying, while the proportion was even higher (86%) among the 66 who had received CTR within the past year but were not receiving it at the time of the survey.

Respondents were given the option to explain why they were struggling, with some identifying multiple issues.

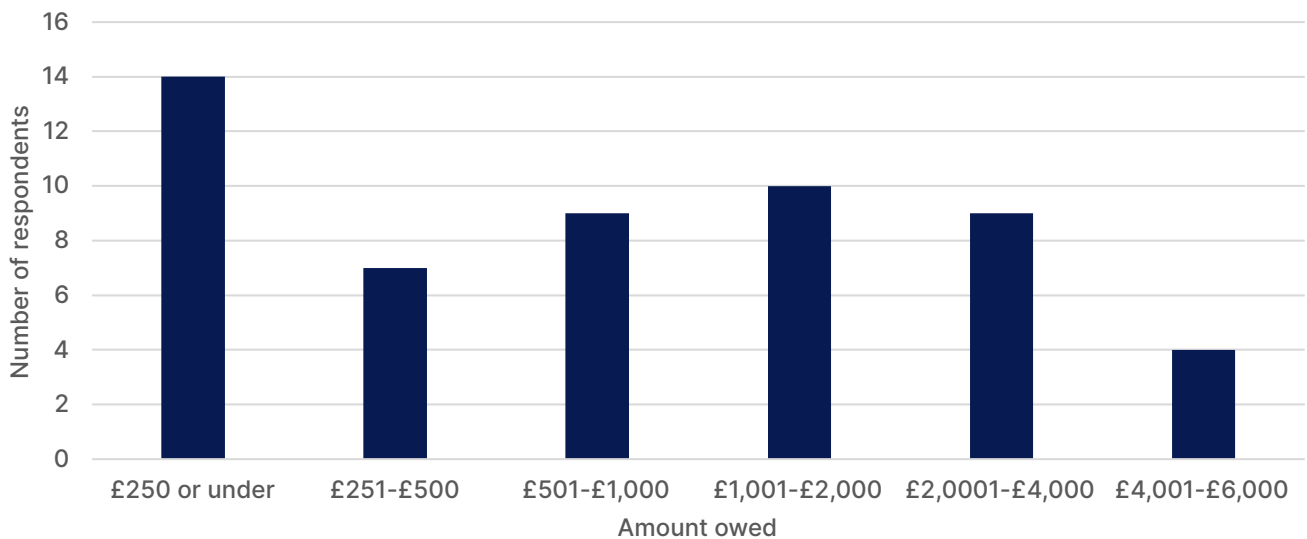
Figure 1. Reasons for struggling to pay council tax



Council tax arrears

Around half of all respondents (49%) said they were in arrears with their council tax at the time of completing the survey, with amounts ranging from £50-£6,000. Among the 53 who volunteered information on the size of the arrears, the average amount owed was £1,490 and the median was £800.

Figure 2. Amount of council tax owed

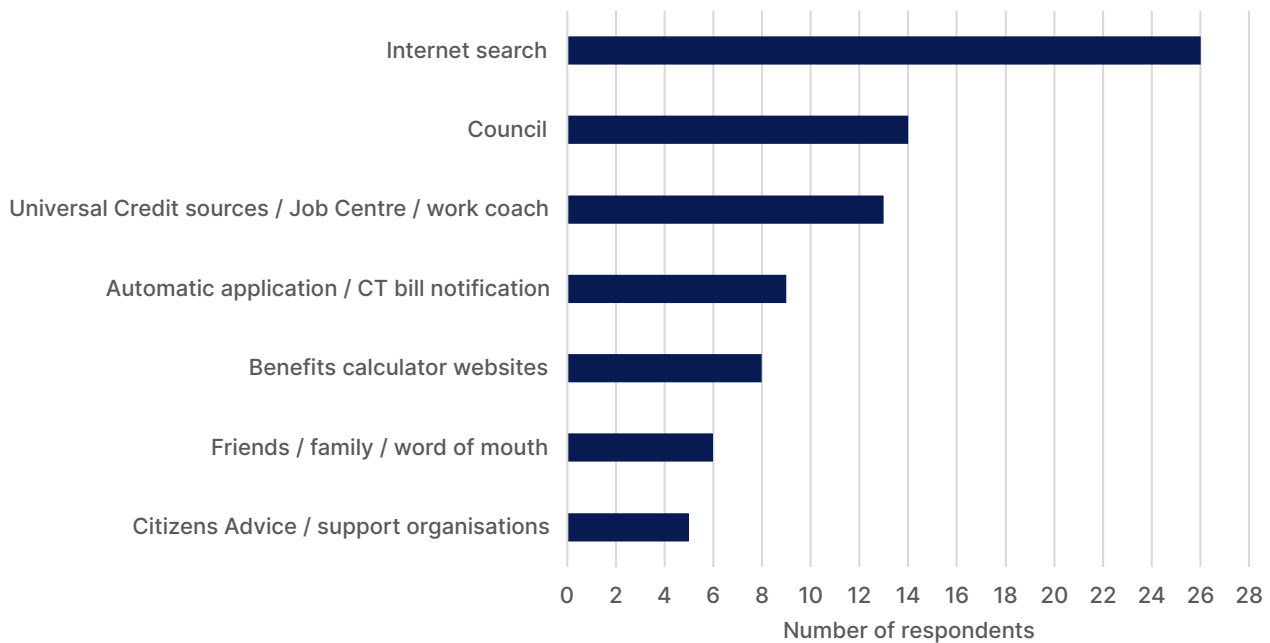


Forty-four per cent of the respondents who were currently receiving CTR were in arrears, compared with 56% of the who were not currently receiving a CTR but had previously received a discount in the last 12 months.

Finding out about the CTR

Asked how they found out about the CTR in their area, 81 responded as follows:

Figure 3. How respondents found out about the CTR



Applying for CTR

Only around one in five of respondents (19%) said that they found it easy to apply for the CTR, with over two-fifths (43%) finding it difficult. Respondents were invited to explain why they found it difficult or easy. More than twice as many gave reasons for finding it difficult as gave reasons for finding it easy. Most cited difficulties with the application process and limited support when they tried to seek help.

Figure 4. Reasons for difficulties applying for CTR

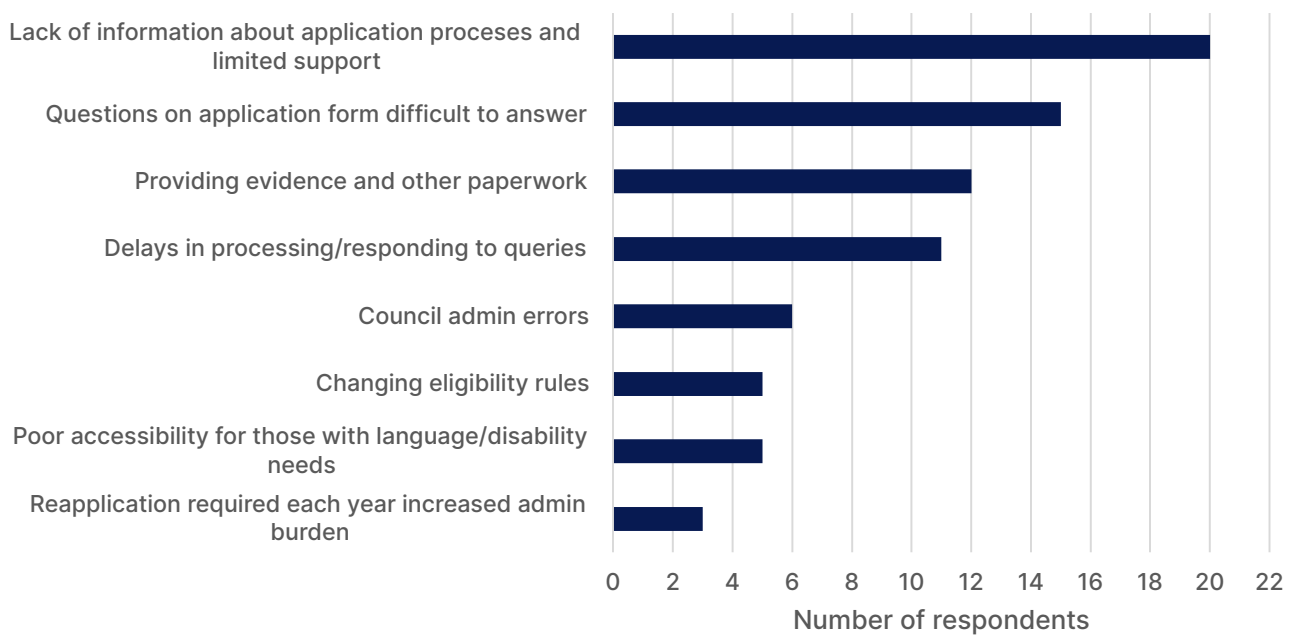
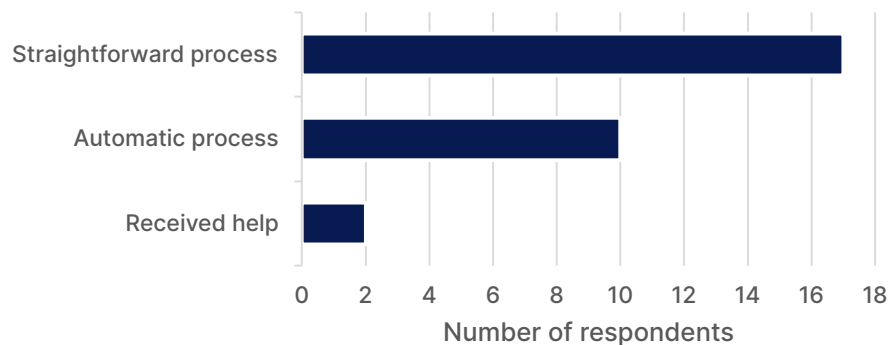


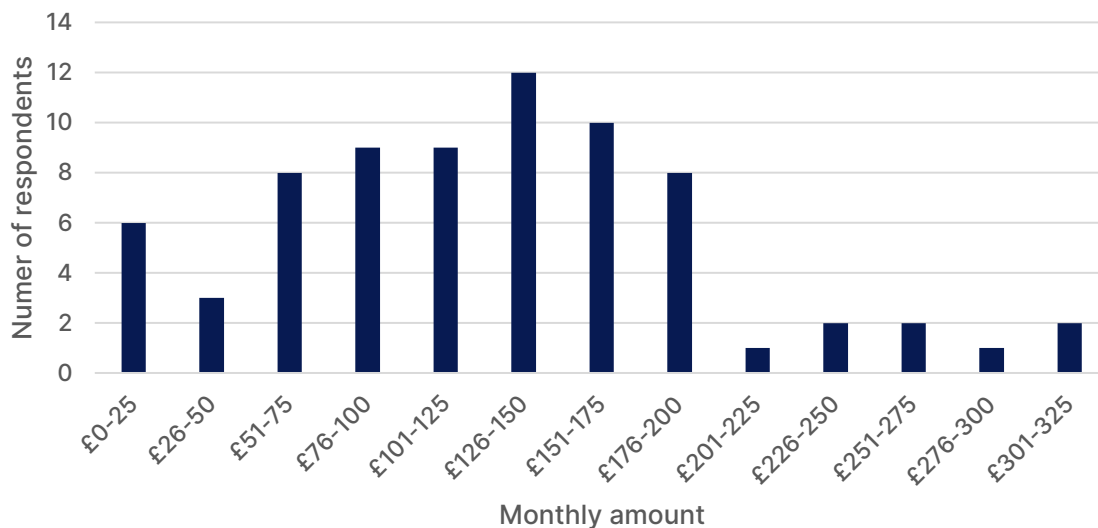
Figure 5. Reasons for easy CTR applications



How much council tax were respondents in receipt of CTR paying?

Respondents were asked how much council tax they were currently required to pay (after any discount or reduction). Ten said that they did not know or that the amount varied. Among the other 73 who answered this question, the average amount was £129 and the median was £127. Amounts ranged from £0 to as much as £315.

Figure 6. Monthly amount of council tax paid by respondents in receipt of CTR



Of those receiving a reduction in council tax, only 12% respondents knew the percentage discount that they were entitled to. The rest were not sure. Among those who were aware, discount amounts ranged from around 5% to 100%.

Frequency of variations in council tax liability

Just under a third of respondents (28%) currently receiving CTR said that the amount of council tax they had to pay varied in most or some months.

When asked to explain if they knew why the amount varied, most did not know. Some said that changes were due to variations in household earnings, with a few more specifically mentioning changes to their UC payment. Some mentioned that even very small changes in earnings caused variations.

How important was the CTR?

Almost all respondents (93%) said that the CTR was very important to them, with nearly all explaining that this was because they had so little disposable income that they were struggling to pay their council tax bills. Some more specifically said that the council tax discount meant that they could afford to buy food or pay utility bills. Others mentioned that it prevented them from falling into arrears as without the support they could not afford to pay their full liability.

Overall experience of getting CTR while on UC

Just under half of the respondents (47%) said that their overall experience of getting CTR while on UC had been terrible or quite bad. Of those who gave further explanation, most referred to delays and the administration burden, or said that they struggled to manage the variability in CTR entitlement each month. Two individuals mentioned that they found it much easier to claim CTR when they were on tax credits. Again, several said that the amount they were required to pay was simply too high with some specifically mentioning that they felt penalised for working, particularly if their earnings fluctuated.

A slightly smaller proportion (43%) said their overall experience of getting CTR while on UC had been OK. Just 11% said it had been great, with most explaining that this was because it was straightforward and helped financially.

CTR and Universal Credit

We asked respondents how any CTR they received interacted with their UC. Of the 97 who responded, 57% said they did not know and 36% that there was no interaction as far as they were aware.

As noted earlier, 14 respondents linked their struggle paying their council tax to Universal Credit. For some, the issue was the reduction in or loss of eligibility for CTR since being migrated from legacy benefits or tax credits onto UC. For others, there were issues around low or variable levels of entitlement that did not take into account their needs.

Integrating CTR with UC

We asked survey respondents if they would find it useful if any council tax help they were entitled to was automatically included in their Universal Credit payment. In response, 72% said 'Yes', and 28% said 'No' or 'Not sure'.

Most felt that the inclusion of any CTR within their UC payment would be simpler and would avoid the administrative burden of completing complicated forms and trying to understand complex eligibility and entitlement criteria. Some said they also wanted the reassurance of knowing that their council tax bill would be paid for them.³⁹

Others felt that any Council Tax Reduction should reduce their council tax liability, as happens currently, rather than be included within their

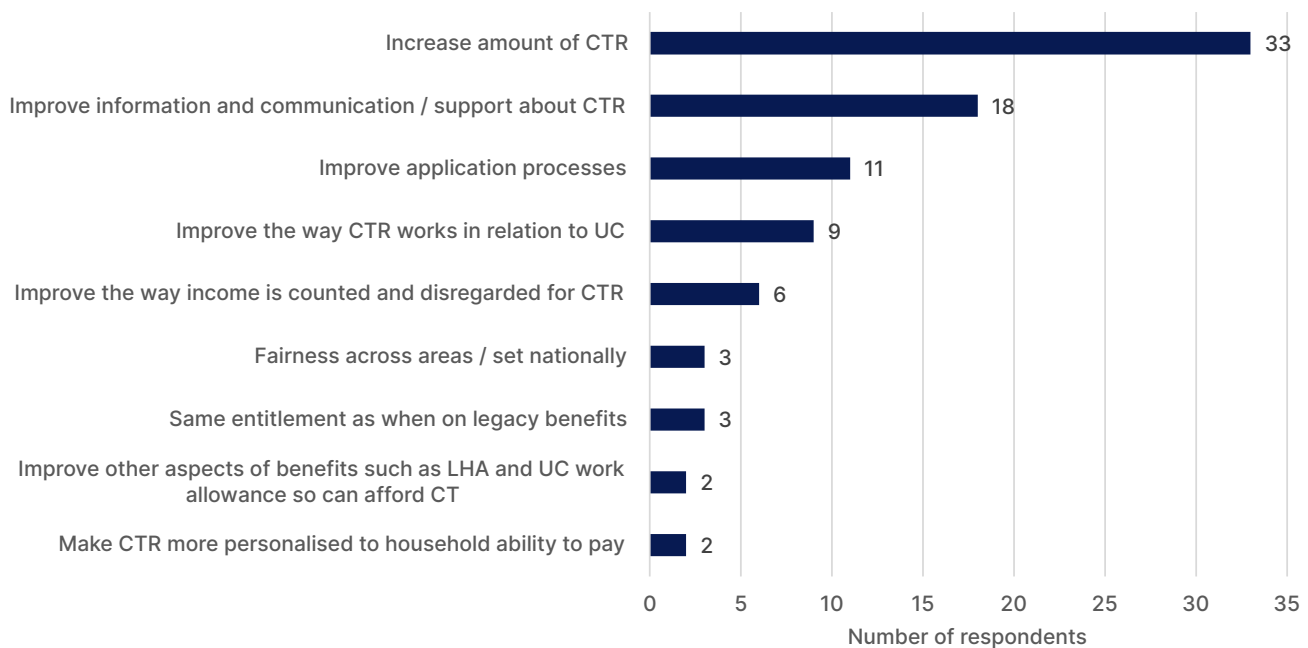
³⁹ Many of these responses may be based on a misunderstanding, since inclusion of CTR within the UC award would still likely require them to pay their own council tax bill, unless they were entitled to a 100% discount that was paid automatically.

UC payment. There was a concern that if it were integrated with the UC payment, the amount awarded might be swallowed up with other household expenses, rather than being used to pay their council tax. There was also a concern that they would not know if the amount awarded was correct, or that they may end up losing it in the form of deductions from the UC payment. In a similar vein, some felt that if it was part of UC then it would be harder to keep track of.

Suggestions for improvements to CTR for people who work

Respondents were invited to offer suggestions on how to improve CTR. Seventy-three responded, with some giving more than one suggestion.

Figure 7. Suggestions for improvements to CTR





Qualitative interviews with UC claimants

Chapter four: Qualitative interviews with UC claimants

We explored people's experiences of Council Tax Reduction schemes when working and claiming Universal Credit (UC) in further detail through telephone interviews with 30 individuals. Through these, we considered their understanding of the CTR schemes and the impacts of CTR on household finances and decisions around work. Aliases are used to anonymise quotes and minor details may have been changed to protect personal identities.

Awareness and understanding of CTR

Awareness and understanding of local CTR schemes varied greatly. A common misapprehension was that working claimants were not entitled to receive CTR due to their earnings. Many interviewees were pleasantly surprised after discovering, often by accident, that they were eligible for help.

They nevertheless felt that their local scheme could and should have been publicised more widely. Fifteen of our interviewees were receiving the 25% Single Persons Discount on their council tax. But few had been informed when applying for this about a possible further reduction on the grounds of low income. This was widely viewed as a missed opportunity:

'It doesn't really make it very clear to you, it says to you council tax ... it says single discount ... but it doesn't tell you [about CTR] ... So that's another section you have to fill out.'

Zara, single, no dependent children

Several interviewees found out about CTR when using online benefit calculators. Struggling to pay her bills, one participant described stumbling across her local scheme when searching the internet for any kind of help she may be entitled to:

'[The online benefit calculator] it said ... that I should be getting CTR ... So I didn't really know about it, I just thought ... you know when you think that you work ... [that] I'm not entitled to things.'

Julia, lone parent

Interviewees generally found that benefits calculators were very useful and user-friendly tools. However, those with variable earnings found it hard to know what income data to input, which could make things more complicated:

'When I do use the calculators, the problem is that mine

[payslip] varies from week to week.'

Aisha, single, no dependent children

The results could also sometimes be unreliable. Two interviewees said that although benefit calculators had assessed them as entitled to CTR, their local council had turned their application down. Another interviewee tried three calculators, each of which gave different results as to whether or not she was entitled to a discount on her council tax.

Once entitled to receive CTR, many found it hard to understand how their local scheme actually worked. Some tried to find out more about how the discount they were awarded had been assessed and calculated, but with little success:

'I've gone on their website to try and find out exactly how it works and ... to try and look at what the reduction rates are and things like that, but it's really, really unclear.'

Patricia, lone parent

Some were aware that their CTR was connected to their UC claim, but the nature of the link and how it worked was not clear to them or well-understood:

'My mother ... said to me that the council tax discount and UC are linked And I was, like, absolutely no idea about that at all, not ever had any knowledge until then.'

Layla, in a couple with dependent children

Understanding how CTR entitlement had been calculated was particularly hard when the discount varied month to month, as it did for several interviewees. Rebecca, for example, struggled to understand frequent notifications that her CTR had changed, especially as she is dyslexic:

'I've had so many council tax bills coming through the post and ... these letters are just computer generated, they just send them out to someone like me that's, you know, dyslexic ... so it's, like, so confusing ... I have got to a point ... where I just don't want to open any mail.'

Rebecca, lone parent

Understanding how their local CTR scheme worked was important because council assessments and decisions were not always correct. Lucy had to raise a formal complaint with her local council to dispute an error after her CTR was wrongly ended:

'I [had] to raise a formal complaint in order to get a full breakdown of how they work out my council tax support ... after going back and forth for months ... one month I earned too much money, and so they erased my claim and the next month I had much less money and they told me I had to submit a whole new claim, when in actual fact, if it's under 26 weeks ... you don't need to submit a new claim ... you can just re-submit your earnings ... which is what they did in the end. But you know, so that is pretty bad.'

Lucy, single, no dependent children

Those who had previously been claiming tax credits felt that everything was much simpler and clearer under the legacy system:

‘On tax credits I knew everything, I knew what I was getting paid, when I was getting paid and ... everything worked really well, even council tax, you knew what you ... you were doing. And then we swapped over to the UC.’

Aran, in a couple with dependent children

Application processes and procedures

Interviewees had mixed views on applying for CTR. Some had positive experiences because online forms were quick and simple to complete, and claims were approved quickly.

‘It just sort of took five, ten minutes to apply for, it was approved ... you know, we felt the financial benefit and, you know, we’ve not needed to do anything, so ... yeah, it’s been good.’

Jane, lone parent

‘Filling out the forms was simple; they just wanted proof that I was in receipt of obviously UC and [Personal Independence Payment⁴⁰].’

Eva, single, no dependent children

Applications were usually easier when data and evidence to determine CTR eligibility and entitlement were taken directly from the UC claim, without the need for a separate application. Claiming UC automatically triggered Cameron’s CTR claim:

‘When I did my UC application, it asked me, have I done an application for reducing council tax, and I said no. And then it said that they would then contact ... the council directly with whatever the discount was and how it was applied ... no other forms ... It’s a lot easier because you don’t have to worry about doing that one extra step ... I haven’t had any problems in that at all, I’ve never had to query anything ... it’s always just been done, you know, so yeah, all good.’

Cameron, in a couple without dependent children

More commonly, interviewees had to apply separately for CTR, an often onerous and administratively burdensome process. Some had delayed making an application because of the time and effort required:

‘I delayed it for a while, just because I know how these forms can be, and you need all of the information all at once ... and they’re exhausting.’

Fiona, single, no dependent children

⁴⁰ Personal Independence Payment (PIP) is a non-means-tested, tax-free benefit designed to support working-age people with the extra costs arising from a long-term physical or mental health condition or disability.

For some, it was especially hard to find the time alongside a busy home or working life:

‘When your hours are here, there and everywhere ... trying to find the time ... it’s just difficult to find all the information they’re looking for and get it back to them before ... the deadline.’

Hannah, single, no dependent children

Some respondents were asked to provide detailed earnings data from payslips, including the amounts deducted for tax, National Insurance (NI) and pension payments – information, as several pointed out, that is readily available from their UC claim:

‘It’s very finicky information, isn’t it? They’re wanting to know exactly how my payslip is set out, the amount that I get before, what I pay in my pension, what I pay ... like NI and ... as well as regular tax.’

Katie, lone parent

Technical difficulties with uploading information online were common. Some mentioned half-completed applications lost in the system. Others worried about being fined or prosecuted for entering incorrect information:

‘It asks you to ... acknowledge that ... I’m giving the correct information and ... I may be ... prosecuted ... if I provide the wrong information ... [What] if you make a mistake or you don’t read something properly?’

Aisha, single, no dependent children

Margaret had not been informed of the need to reapply for CTR each year, a process that included providing photographic ID. Without a current passport or driving licence, she struggled to comply with this new requirement:

‘I didn’t realise because ... I didn’t receive a letter or anything ... they wanted me to send in ... all kinds of ID and everything back in, ... I don’t drive, and I’ve not got a passport ... Originally, I just used the birth certificate, but this time they asked me for photographic ID, which I haven’t got ... I just left it. But I do ... need to reapply now, because the income isn’t the best and I can’t really afford to pay full council tax.’

Margaret, lone parent

Several mentioned a general lack of information and support that might have helped them to reduce their council tax bill or manage their arrears:

‘I was in arrears as well ... and they haven’t offered me that I can pay this year’s payments over 12 months rather than ten months, which you would have thought would have been a logical sort of thing to offer people.’

Lucy, single, no dependent children

Many respondents spoke of long delays of many weeks, even months, before they heard anything back after submitting applications.

De-personalised, online and automated application processes could add to delays, as well as the sense of frustration:

‘So everything’s online, but they’re not processing it ... So I called them, there’s no one available, they’re saying to just hang up the phone and send me the link to the online form, which I have filled up several weeks ago. Again, haven’t heard anything, so ... you don’t know if the form did reach them ... Has it been done? Has it been dealt with? So no idea at all!’

Arya, in a couple with dependent children

Lack of communication from councils about the progress of claims only added to the uncertainty:

‘I don’t know ... [when] I’m going to hear back ... but if I don’t, have they lost the form? Which has happened before ... And there’s nothing in between to sort of reassure you.’

Fiona, single, no dependent children

Not only tiresome, council delays in processing CTR claims meant that many applicants were liable to pay the full cost of council tax in the interim. CTR applications that were later approved did not routinely appear to be backdated. People were often required to pay large amounts of council tax before CTR applications were approved, which could severely eat into household budgets:

‘It obviously would have been less per month if they’d got their stuff together because it’s made my monthly payments insane, like £330 is a lot.’

Beth, in a couple with dependent children

Several interviewees fell into arrears with their council tax due to processing delays and under- and over-payments of CTR that later came to light:

‘After me applying for council tax support, they didn’t contact me for, like, three years. So then they wanted all my UC, you know, like payment history and then they told me that I owed them £500 because they’d overpaid me.’

Tessa, lone parent

In a similar vein, it could take months for changes of circumstance to be acknowledged and acted upon, by which time these could have changed again:

‘It can ... apparently take [the council] up to 16 weeks for them to authorise these changes ... So once 16 weeks has passed and they may not have the correct information, we would then receive a bill ... and then they’d re-calculate it again, then you’d have new payments coming off.’

Layla, in a couple with dependent children

Fiona reported a change in circumstances over an online portal but, three months later, this had still not been acted upon. In the meantime, she was

threatened with court action due to council tax arrears. Similar threats of court action were made to Julia, even though information requested by the council in support of her application had been provided by her several months earlier:

'I did receive an actual email the other day to say they want to take me to court if I don't provide this information, even though I provided it already in January ... it's just such a slow process.'

Julia, lone parent

Communication and support

Even after CTR applications had been approved, many interviewees experienced difficulties with contacting and getting support from their council. Several described how the transition to online and digital application forms had resulted in a loss of human interface:

'They're not answering their phones ... they've got a lot of agency staff ... they don't seem to be the same as they used to be before ... and getting an appointment with them is hard.'

Aisha, single, no dependent children

Few councils appeared to have staff available to deal with people face-to-face, while telephone enquiries often entailed long waits on hold:

'I had to physically do it all over the telephone ... half of the point of us going digital to a certain extent is that it makes everything a lot simpler and ... it's not. So as I'm waiting, I could be, like, 15th in the queue.'

Katie, lone parent

Emails, too, often went unanswered or could take a long time to be responded to:

'I've emailed for help online, it acknowledges I've sent an email but then I never get kind of correspondence back from that email.'

Hannah, single, no dependent children

Some reported that issues they were having around the inability to pay, accruing arrears or the threat of court action were sometimes dealt with harshly and with little empathy:

'I've been in tears, saying I haven't got it [money to pay the council tax], and this and that, and they just didn't care.'

Sarah, lone parent

Offers to pay what they could afford were frequently met with resistance:

'They're not approachable, you can't really ring them and say I'll pay this much, there's no communication, it's just, you know, you owe this much, you pay this much back and, you know, we

expect this ... The wording just isn't nice, and we'll apply this amount and apply that amount in charges.'

Aisha, single, no dependent children

Interviewees who described more positive experiences were mainly those whose local council still offered face-to-face and drop-in support:

'I think they're more helpful because you can go in and speak to them at least ... on a Wednesday and Friday ... I could go in and just say look, this is where I'm up to ... would you be able to help me?'

Hannah, single, no dependent children

Fairness of schemes /eligibility and entitlement rules

People living in areas with less generous CTR schemes felt that the rules unfairly disadvantaged low-earning households:

'I wasn't entitled to anything. And even though now I don't really have significant income, they're still telling me the same.'

Aisha, single, no dependent children

For those whose incomes sat just above CTR eligibility thresholds, or on the cusp of income bands, the effect of 'cliff edges' meant that some were financially worse off by working or earning more:

'I earned £370 ... but they're going to charge me 25% more council tax for having that.'

Naomi, lone parent

Working families with caring responsibilities and households with disabled children or adults felt that the rules were especially unfair:

'They've obviously got to have a threshold. But if it was like ... just over by a couple of pound[s] of whatever, considering my circumstances, I've got children, I'm a carer for my elderly parents, I think that you should be entitled to it.'

Tessa, lone parent

Loss of the 25% Single Person's Discount, because a child was now classed as a 'non-dependent' adult, only added to financial difficulties:

'Because I can't claim 25% discount, which is a single person, because I have a dependent child living with me ... they should be more fair on that, especially when you're on a low income.'

Zara, single, no dependent children

Discounts could also be lost when older children lived away at university during term time but returned home during the holidays:

‘She’s back to uni, I should get slightly more because obviously she’s not paying anything to me ... But they seem to think ... when she’s home in the holidays she should pay me money.’

Saskia, lone parent

Marked differences in eligibility and entitlement rules between council areas appear especially unfair. In our sample, Margaret, a lone parent living in North West England, took home only £500 per month but was not entitled to any CTR. In contrast, lone parent Erin, who lived in a neighbouring local authority area, earned £1,900 per month and was receiving CTR. Part of the reason seemed to be that Margaret’s UC housing element was being treated by her council as income. In Erin’s council area, this was ignored. Erin described how much she valued her CTR:

‘I just think it’s a great scheme and I hope it continues for people like me that are working hard and trying ... you know I’ve always worked hard, but there’s that thing there to help.’

Erin, lone parent

The issue was especially problematic for those with a relatively high contribution towards the rent included in their UC award:

‘If you’re claiming rent as well, they kind of say that that’s an income ... It’s very hard.’

Zara, single, no dependent children

Lucy explained how, in her local council area, treatment of the UC housing element is very different from how Housing Benefit was accounted for in the legacy system, when it was disregarded:

‘I didn’t realise that they actually count the housing costs as income as well. It’s not like the old Housing Benefit system.’

Lucy, single, no dependent children

The different treatment of child maintenance under UC and CTR schemes was another discrepancy highlighted by interviewees. In some council areas, child maintenance was disregarded, as it is in UC, whereas in others, it was treated as income. Receipt of child maintenance pushed Margaret’s income above the eligibility threshold for CTR, something she found baffling because under UC, child maintenance is disregarded. Not only was this treatment inconsistent, she said, but it was also unfair, given that these payments helped to contribute towards the upkeep of her and her ex-partner’s child:

‘So my area will take your child maintenance into consideration as well ... whereas UC doesn’t. So I’ll probably be told I won’t be entitled to it [CTR] anymore anyway, because I get £50 a week for the baby ... I don’t think they should be using child maintenance as an income, because that’s not my money ... that’s the baby’s money.’

Margaret, lone parent

Having been moved across from tax credits onto UC, Aran described a similar unfairness in the treatment of Disability Living Allowance (DLA) as allowable income, unlike under the legacy system and in UC:

‘So on tax credits, I think about ... £200, £300 a year ... since it’s gone to UC They’re saying that the DLA for the three children, they’re treating that as income ... that has to do with the children, nothing to do with me, that ... It should be disregarded.’

Aran, in a couple with dependent children

He also found it incomprehensible that residents in receipt of Carer’s Allowance were entitled to an automatic 100% council tax discount, whereas those who received the carer’s element of UC were not:

‘My sister ... gets [council tax] paid for because she’s become her husband’s carer ... the whole lot Maybe it’s because ... [I’m] not getting Carer’s Allowance ... [I receive] carer’s element [of UC].’

Aran, in a couple with dependent children

Patricia’s council, too, took all sources of income into account when calculating CTR eligibility, including her disability benefits payments, something she felt was grossly unjust, given that disability benefits are awarded specifically to cover the extra costs of living with a disability:

‘By taking absolutely everything including disability benefits ... into account ... it’s taking money away that’s ... earmarked for another reason.’

Patricia, lone parent

Within-year and monthly reassessment

Another problematic area cited was within-year and monthly reassessments of CTR eligibility and entitlement when individuals’ earnings or other circumstances changed. Several interviewees were shocked by how much their CTR decreased when they started work. When unemployed, Zara had received a reduction of £1,100 from a £1,900 council tax bill. However, even though her earnings were modest, once in work, the amount reduced to £300:

‘Now I’ve started working, yeah, it’s, like, literally it’s crazy, and I just don’t understand why [the council tax] shot up so much ... [I’m] surprised ... I’m [not] earning more than, you know, a basic salary in London.’

Zara, single, no dependent children

Income-banded schemes seemed to work well for those whose monthly earnings were steady and not close to the thresholds of income bands. Here, monthly council tax discounts were consistent and easy to understand:

'It's got the bandings and ... because I earned under £89 a week ... I pay 18% of the council tax bill.'

Fiona, single, no dependent children

For others with fluctuating earnings or whose earnings hovered on the edge of income bands, even a very small change in income could trigger a substantial loss of CTR. Not only were frequent changes in council tax liability hard to budget but, as previously noted, the loss in CTR entitlement could sometimes be more than the increase in net earnings, leaving people worse off:

'I was on the cusp of a band, so if I got a penny more, it pushed me into the less support ... and often the [council tax] bill would rise more than you'd got ... you know [earning of] £366 you get nothing, £365 you get 25% off ... [It's] too ... inflexible ... you need predictability, you need to budget.'

Naomi, lone parent

The arrears calculation of UC and the requirement to pay council tax in advance was another challenge:

'It's about a month delayed, so I get a letter every month, which is based on last month's earnings ... then that's applied for the month going ahead ... it's really confusing, and it's really difficult to kind of calculate and try and work out you know what money you need to pay what bills.'

Lucy, single, no dependent children

Other changes of circumstances, such as moving to a new council area, would also often result in a changed CTR entitlement due to the different scheme rules:

'Actually, it's a bit of a shocker. In [my previous local authority] ... I'd be paying around about £60 a month for council tax, my contribution. Here, I'm not going to get any discount whatsoever, and it's going to be £148 a month ... and my income hadn't gone up a penny.'

Naomi, lone parent

With no change of income, being moved to UC from legacy benefits within the same council also generally triggered a change in CTR entitlement:

'So, when you were getting tax credits, then the DLA ... was ... disregarded ... even though it was the same council. Exactly the same council ... it's £1,600, I've got to pay now.'

Aran, in a couple with dependent children

In some cases, interviewees were not sure what had triggered a change in CTR entitlement. Rarely were they notified of the reason for the changes:

'I was being told that [from] paying £33 a month towards council tax, it went up to £168 something. And I was like, wait a minute, I don't understand how.'

Nia, lone parent

Affordability and arrears

The amount of council tax that interviewees were paying varied significantly, with some liable to pay less than £30 a month and other paying more than £300. Not unexpectedly, those with lower bills and higher levels of CTR generally found it easier keep up with council tax payments.

Many others struggled to afford their council tax each month, leaving them with household budgeting dilemmas. Limited disposable income means that paying council tax essentially competes with other important living costs:

‘So sometimes it comes down to the crunch, especially towards the end of the month, what do I do, pay a council tax bill or feed my daughter?’

Rebecca, lone parent

Margaret felt she had no choice but to accrue council tax arrears – the alternative was not being able to heat the family home and keep her children warm – but the debt adversely affected her credit rating:

‘I simply didn’t have the money to pay council tax, especially when it’s in the winter, your electric bills are through the roof, and it’s a case of do I buy electric or do I pay the council? And I’d rather my children were warm. So yeah, my credit is terrible because of it.’

Margaret, lone parent

Others were too fearful of not paying their council tax because they knew that this could result in bailiffs coming round:

‘I wouldn’t not pay it, because I know what councils are like and bailiffs and ... my friend, she missed a payment once, and then they said you have to pay for the whole year because she missed one payment ... They’re very inflexible.’

Beth, in a couple with dependent children

Fourteen of the interviewees had council tax arrears, a significant source of worry. Nia’s direct debit failed to go through because her bank account had insufficient credit to pay an unexpected and substantial increase in her monthly council tax:

‘All of a sudden my council tax went from contributing £33 every month ... to ... £168 ... Obviously it didn’t go through because the funds are not there.’

Nia, lone parent

Rebecca, whose council tax was discounted by 100% when she was not working, suddenly found herself in arrears once she started work:

‘I am in so much arrears with my council tax at the moment ... about £800 ... because [when I wasn’t working] I didn’t pay it, they paid it, it was just paid.’

Rebecca, lone parent

Others found themselves in arrears because of delays in adjustments, both to their UC and CTR, because of changes in monthly earnings:

'This month, because I didn't have any work last month ... I only had ... £200 ... but ... because the UC system is on a delay ... this month I just haven't been able to pay anything towards the council tax ... until they ... catch up ... I built up, like, £400 of arrears.'

Lucy, single, no dependent children

Some had accrued arrears because of poor communication from the council regarding the amount of council tax they were meant to pay:

'I didn't realise I was supposed to be paying the amount I was supposed to be paying, because ... the only time I ever get a letter off the council is say once a year to tell me how much my bill is.'

Margaret, lone parent

In other cases, frequent notifications of changes in council tax liability left people confused about how much they were expected to pay:

'Then they'd send another notification, that I'm owing ... because I don't know what to expect. And then I'd get another letter saying ... oh you're in credit ... what's going on? What is expected of me? And that's all I want to know, so that I can support my finances, I can prepare myself to know ... crazy!'

Nia, lone parent

Unclear about how much she should pay, Zara was concerned she would receive a court summons, the cost of which would then be added to her bill:

'I ... rang up and I said to her how much do I pay? ... she said to me, just pay in about £15 or £20 a month, at least you're paying something ... But I said that's not fair because you guys are not sorting anything out. And if you don't pay up, they send you a summons [that] ... is something like £150.'

Zara, single, no dependent children

Sarah had bailiffs knocking on her door after missing a monthly council tax instalment by just one day:

'I just find council tax absolutely one of the most horrendous ... with bailiffs who knocked the door ... I actually only missed it by one day, I'd contacted them and if the note's already gone to the bailiffs then I had to pay an extra charge ... it's an awful lot of money for just me to pay.'

Sarah, lone parent

The additional costs of bailiffs and court charges only served to increase the level of council tax arrears. Summoned to court five times for non-payment of council tax over successive months, Margaret was subject to court costs of £350 each time:

'As soon as you go to county court, that's an extra £350 put

onto your council tax bill, every single time ... You can miss one payment, and they'll give you two weeks and then it's ... straight to magistrate court ... [this happened] ... about five times.'

Margaret, lone parent

Some interviewees had managed to get their monthly payments reduced slightly by paying over 12 months rather than the usual ten:

'[Paying over 12 months] brought my council tax payment per month from £112 to about £78 or something like that, which was helpful to me.'

Tessa, lone parent

However, in other councils, there appeared to be little appetite for negotiating alternative payment arrangements:

'They don't give you a chance to pay. So I could say ... can I say pay my council tax as normal, but then pay off [the] arrears weekly? They just won't. So they get straight in touch with bailiffs ... I've not got money now, so where do you think I'm going to get it from?'

Margaret, lone parent

Somewhat perversely, some councils would only agree to payment plans after householders had attended court, a process that served to increase levels of arrears further:

'So you can set up a payment plan, but before they'll actually really reduce your council tax and let you just pay what you can afford, you have to go to ... court.'

Rebecca, lone parent

With a high level of arrears, Margaret had a mandatory deduction from earnings imposed by her council. Meanwhile, although her disposable income had reduced, she was still required to pay a monthly council tax of £130:

'I've got two [deductions] on my wages ... one is about £22, the other one's £25 ... a month [one is council tax, one is water] and £130 [council tax bill] on top of that ... It's like a vicious circle really, it doesn't matter how much you pay, you can't dig yourself out of the hole.'

Margaret, lone parent

Interaction and integration of CTR with Universal Credit

Interviewees generally welcomed the reduced administrative burden where earnings and other data used to assess CTR entitlement were picked up automatically via the UC claim:

'I don't have to give them everything every few months because they liaise with UC.'

Arya, in a couple with dependent children

However, as noted previously, for those whose earnings varied, or had erroneously been recorded as varying by the UC data feed, the interaction between UC and CTR could be more problematic:

'So that was a real pain. And when I asked, you know, can you just tell me how much I need to pay, and not keep changing it up and down, they said that it's because it's linked to UC. It was up and down like a yo-yo ... even though my income doesn't [change]!'

Naomi, lone parent

Beth's partner, who was paid weekly, had five weeks' pay included in his monthly UC assessment period. Even though he had earned no more, this reduced the amount of CTR the couple were entitled to that month:

'Each month is different with my UC. So this month there's a little bit less compared [with] last month's UC payment ... because ... they gave [my husband] two wage packets in one week, so ... it affected what [CTR] we got.'

Beth, in a couple with dependent children

Interviewees required by their council to submit earnings data manually, and to reapply for CTR when circumstances changed, found these tasks to be onerous:

'You've got to send in all kinds, so ... obviously proof of earnings, you've got to send in all kinds, whereas it would be better if it was attached to UC ... that would be so much easier.'

Margaret, lone parent

A particular concern was the risk of error when entering earnings data themselves online:

'They're already in canoodles with HMRC, so why? ... I had to, like, manually download a payslip, write it all down on a bit of paper ... it was, like, really challenging, and then you're thinking ... if you get one thing wrong That's why I think it can just be simplified.'

Katie, lone parent

Naomi, whose earnings varied each month, described how wages, UC payments and Council Tax Reduction were all generally out of sync, making it impossible to budget:

'So this coming month, they're going to pay April to August backpay of an extra £250. So I'll get the back pay in September and I'll pay for it in October! Because they work it a month behind ... So this month I'll be rich, but next month I might not have enough to pay my bills.'

Naomi, lone parent

Financial impacts of CTR

Despite the evident shortcomings of many CTR schemes, any discount, however small, was hugely important for supporting the day-to-day living expenses of recipients. Erin described how getting CTR meant that she did not worry so much about being able to buy the family's food:

'I'm literally just paying 20 quid towards my council tax, which makes a massive difference, whereas [the monthly bill] would be, like, £130, I think ... that money that I'm saving can go for his food ... you're not stressing about scrimping and scraping as much.'

Erin, lone parent

Arya talked about how CTR enabled her to financially support their teenage children to attend college:

'£50, £60 a month, it really does help, because I've got, like, teenagers and they go [to] college, and you know how hard it is because you have to give them, you know, this ... money for this, money for that, you know, buy uniform ... and uniforms these days are very expensive!'

Arya, in a couple with dependent children

For Jane it meant being able to afford to run a car, significantly boosting the family's quality of life:

'It's like the difference of me being able to, like, have a car or you know not have a car, or ... just for us to actually be able to go out and do anything.'

Jane, lone parent

Others said that being awarded CTR meant they had reduced their risk of, or cleared, council tax arrears, significantly boosting their financial well-being. Conversely, not getting CTR, or having it reduced, could have serious knock-on effects for people's finances – not only falling into arrears with council tax but with other bills too. By moving into work, Naomi had not only lost entitlement to CTR, but to other means-tested help, including free school meals and reduced prescription charges, which seriously affected the household finances:

'We're not [now] eligible for council tax support ... We were just above ... threshold. So I have to pay for prescriptions, I have to pay for school meals ... so I'm working for nothing really ... a bit soul destroying ... the threshold's too low and they've not reviewed it ... especially us having to pay £330 a month is a lot of money.'

Naomi, lone parent

Work incentives and work behaviours

The extent to which CTR entitlement, or its reduction or loss, affected decisions around work varied. Many interviewees were dismayed by how much their council tax discount fell when they started work or increased their earnings:

‘Now I’ve started working, yeah, it’s, like, literally it’s crazy, and I just don’t understand why it’s shot up so much ... especially when you’ve been a low[-income] family because ... you know we are going out there trying to work, they should give us a fair deal.’

Zara, single, no dependent children

Some felt this penalised people for ‘doing the right thing’:

‘Council tax is going up and up and up and up, but incomes aren’t ... It just needs to be fairer ... and not punish people for going to work.’

Naomi, lone parent

Suddenly having to manage household bills that had previously been fully discounted or paid directly could be quite a shock to the system:

‘When you’ve been off work for so long ... your rent and everything’s been paid and then all of a sudden to have all these bills ... It’s really quite ... difficult and overwhelming.’

Rebecca, lone parent

Several reported that they were financially better off from claiming out of work benefits than when working:

‘So in all honesty, when I wasn’t working I was better off than I am now ... because the rent was paid, the council tax was paid, you get more help with water ... you can get help with your electricity and your gas and when you’re working, there’s just nothing there, and then I have to pay £130 council tax.’

Rebecca, lone parent

Reduced entitlement to CTR when working could also disincentivise working longer hours and earning more:

‘It almost puts you off wanting to work more.’

Aisha, single, no dependent children

After considering the financial impact of increasing their hours, some had decided against it:

‘I have looked into [increasing my hours] because I do 30 hours a week, possibly 37.5, but financially we won’t benefit from me doing more hours a week.’

Martha, in a couple with dependent children

Some had reduced their hours and said they were better off:

'The best really that you can do is work minimum hours, because that's how ... it balances really.'

Rebecca, lone parent

This all said, for many interviewees, both the number of hours worked and their earning capacity was frequently constrained by limited capability for work or caring responsibilities. Aran had been obliged to reduce his working hours from full to part-time to help his wife care for their five children. At the same time, a redesign of his local Council Tax Reduction scheme had increased the amount he was now expected to pay:

'I've got to pay more council tax ... I'm at a point in my life where I've had to cut my hours down because of the kids' ... needs. Obviously when two of them ... [are] ... at college, then I can go back full-time properly, and my wife can also pick up part-time ... because she'll only have the two younger ones and one SEND [special educational needs and disabilities] child but ... [now] ... it just doesn't seem to work.'

Aran, in a couple with dependent children

For others, work conditionality rules meant that reducing their hours was simply not an option. Fear of sanctions for not meeting their UC conditionality requirements was a major deterrent:

'If you're not looking for work, you get a sanction ... so we just go to work. But it's kind of like having repercussions in the sense like we didn't go to work, we'd kind of be financially better off.'

Aisha, single, no dependent children

Regardless of whether they were better off, several mentioned the importance of work for maintaining their mental health:

'Sometimes I do think I'd be better off not working, but then I have to go to work for my own mental health.'

Martha, in a couple with dependent children

Wanting to work for personal pride and self-esteem, and to be good role models to their children, also played an important part in encouraging some to return to or stay in work, even though by doing so they may have benefitted little financially:

'Even though he knew that we'd probably get effectively less money [from working] ... he hadn't been in employment since 2018 and ... it was affecting his self-esteem and self-worth quite a lot.'

Beth, in a couple with dependent children

Suggestions for improvement

For reasons of affordability, to reduce the risk of arrears and to avoid threats of bailiffs and court action, many interviewees identified increases

in CTR entitlements for those in work as a key priority. Extra help with council tax was considered particularly important among working families with children:

'I think working families really need help ... because it worries me about the bailiffs coming to the door, you know how strict the councils are.'

Martha, in a couple with dependent children

Harmonising CTR rules across councils, including what counts as income for the purpose of CTR entitlement, was another priority. Many felt that disability benefits and payments relating to the costs of raising children, such as child maintenance and childcare payments, should be disregarded. Beth, who had two disabled children and was disabled herself, was shocked to find that the benefits the family received in recognition of their extra costs were now treated as disposable income, meaning she was no longer entitled to CTR:

'In my understanding, it's supposed to help disabled people, it's ... a bitter pill to swallow ... the reason that I was given ... the reduction [was because we are disabled] ... we're still disabled, but I guess it comes down to money at the end of the day, doesn't it, and now we don't qualify.'

Beth, in a couple with dependent children

Interviewees also thought that improving information and awareness about CTR schemes, including better signposting about CTR when people were claiming UC and the Single Person Discount, was key:

'Let people know that this was available, instead of hiding it away in a little part of the website.'

Margaret, lone parent

There was strong support for automating applications for CTR and discounting council tax using information and earnings data scraped from UC claims:

'I believe that councils have enough information to know the household ... to know which discounts I should be entitled to. For me, those discounts should be automatically applied.'

Nia, lone parent

A reflection on wider council resourcing issues, improved access to telephone and face-to-face support was another frequently mentioned suggestion:

'Council tax, they take ages to be honest with you. They don't answer their phones! ... If they could work on their service a little bit better, probably would be good!'

Arya, in a couple with dependent children

Greater clarity and transparency in the amount of CTR householders were entitled to, and how it had been calculated, was another suggestion:

'I think they could ... publicise their reduction rates more clearly.'

Patricia, lone parent

Linked to this was the need to ensure householders had sufficient information to understand how the discount on their council tax was assessed and awarded, and therefore if it was correct:

'More clarity around ... how are the charges are made up, and what discounts, for example, that person has been awarded.'

Nia, lone parent

People living in council areas with income-banded schemes felt that there needed to be more flexibility and greater uniformity around the income thresholds:

'If it's, like, just over by a couple of pounds [I lose entitlement] ... considering my circumstances, I've got children, I'm a carer for my elderly parents, I think that you should be entitled to it.'

Tessa, lone parent

Those who experienced variable CTR because their earnings fluctuated wanted more consistency. Some suggested averaging incomes across longer assessment periods than a month:

'If they had some clear guidelines [for] people ... [with] varying incomes, whether they apply an average, whether you could apply for parts of the year ... that would help.'

Aisha, single, no dependent children

A specific proposal was to award CTR for fixed periods (some suggested annually) as generally happened under the legacy system of tax credits:

'There should be ... an assessment at a point in time and say this year you'll receive this much council tax support, based on the information we have, and not be re-calculating it willy nilly, with no warning.'

Naomi, lone parent

To minimise financial shocks when UC claimants start work, another suggestion was for a CTR run-on at the previous (and generally higher) level of reduction even as their earnings increased:

'It would make more sense to give maybe three months' allowance or maybe even allowance for someone that's been unemployed for six months or over ... to get back on their feet.'

Nia, lone parent

Some said that they would prefer to have any contribution towards their council tax, or any discount they receive paid directly to the council – similar to how rent was often paid under Housing Benefit, and as could

be requested, or imposed in UC, as an alternative payment arrangement (APA)⁴¹:

‘I would prefer it [to] be deducted and paid directly to the council, if you know what I mean. So then my council tax bill I don’t actually even see, it just like all just goes to them, that would be easier, in my opinion.’

Cameron, in a couple without dependent children

Respondents felt that returning to a system where council tax is paid directly to the local authority, as happened under the legacy system for people entitled to a 100% reduction, would be much easier to manage and simpler to understand:

‘It’s completely separate [now]. Because I remember years ago ... the Housing Benefit would be taken care of and ... you weren’t actually given the money to pay your council tax, it was automatically done for you. And that would be ... so much easier.’

Margaret, lone parent

Recognising the potential risk of non-payment and arrears that could arise if a council tax element was fully integrated into the UC award, others were more reticent:

‘I think that might work for me ... but with my housemate ... she is quite bad with money ... I think for her ... she would very quickly owe a lot of money!’

Fiona, single, no dependent children

As such, many felt that, on balance, UC and CTR should remain separate:

‘I think separate is better that way, because then it would be a whole big mess! A bigger mess.’

Zara, single, no dependent children

⁴¹ APAs are for claimants who struggle to manage a single monthly payment and there is a risk of financial harm to the claimant or their family. APAs include help with paying rent directly to the landlord; more frequent payments; and split payment of an award between the partners in a couple. APAs are discretionary and considered by a DWP decision-maker on a case-by-case basis. They can be requested by the claimant or a third party (such as a landlord) and may also be imposed if considered to be in the claimant’s best interests, for example, to reduce the risk of eviction.

5

Summary, conclusions and policy reform options

Chapter five: Summary, conclusions and policy reform options

What did the research find?

Less help for UC claimants with earnings

While a great deal of good will is evident within councils, the generosity and reach of their CTR schemes has reduced as the financial pressures on them have intensified. While households in which no one works generally receive the highest levels of support, help for those in which someone is earning has become increasingly squeezed. Many councils have increased the rate at which support is withdrawn as people's income rises, while in others, financial support ends soon after earnings rise above a very modest level. Some have frozen their income thresholds, resulting in an effective year-on-year cut in CTR entitlement.

All such changes have disproportionately affected UC claimants who are in paid work or self-employment. Changes in UC's design intended to encourage work – including a reduction in the taper rate and increases in the work allowance (UC's earnings disregard for those eligible), allowing claimants to keep more of their earnings – have also, paradoxically, served to reduce entitlement to CTR.

Increasingly unaffordable council tax is driving financial hardship and arrears

As financial support has reduced and eligibility criteria tightened, greater numbers of working claimants are finding it hard to cover the rising cost of their bills. Though most survey respondents said that getting a discount on their council tax bill was 'very important', for many, the amount they got was simply not enough.

Whether people were still receiving CTR or were no longer entitled, the vast majority were struggling to pay their council tax, and a large share were in arrears. This 'doom loop,' as one informant put it – where councils seek to cut costs by progressively restricting and reducing support – benefits neither claimants nor councils: 'you just end up with this vast swathe of council tax arrears that's just never going to be recovered.'

Diversity in application processes and procedures

The evolution of CTR schemes has spawned myriad different application procedures, giving rise to huge discrepancies not only in the levels of support working claimants in different council areas may get, but in their ability to access that help too. What's more, awareness levels about CTR prior to applying were very low. Most people found out about their local scheme after an online search, speaking to a family member or friend, or using a benefit calculator; few had been made aware of CTR by their council or when claiming UC.

Applying for CTR was also far from straightforward. Many people struggled to find clear information about CTR or access practical support, and the application procedures could be long and unduly burdensome, requiring them to gather and upload detailed household income and earnings data. This lack of accessible guidance, combined with the effort involved, meant that some respondents delayed applying for CTR, sometimes because they assumed working people were ineligible, and sometimes because the application felt too time-consuming and difficult to complete.

Access to Universal Credit Data Share (UCDS) records, including a claimant's income and savings, has enabled councils to confirm identities and verify eligibility for CTR automatically when new UC claims are made. By mirroring UC eligibility rules and automating application processes, some councils have enabled claimants to bypass the CTR application process, boosting take-up rates.

Yet, in this research, automated processing of CTR claims, though welcomed by those who benefitted, were few and far between. Many councils still require separate CTR applications, reducing take-up and making the process more burdensome than is necessary, both for claimants and staff tasked with manual processing.

Variable features and effects of different CTR schemes

Around two-thirds of English councils currently operate 'legacy' or 'default' CTR schemes, in which support reduces gradually as income and earnings rise. Accessing the same monthly earnings data used in the assessment of UC has allowed for the automatic calculation of CTR – administratively simpler than claimants uploading proof of earnings each month. However, unless the council uses a 'de minimis' rule or other similar method, virtually every recorded change of income, however small, triggers a reassessment of CTR. Each change of CTR entitlement, in turn, obliges the council to issue a 'change notification' letter and revised council tax bill, which is not only costly but creates confusion and budgeting difficulties for claimants. Over a quarter of respondents currently receiving CTR said the amount of council tax they had to pay each month varied, making it difficult to know or plan for their council tax liability.

The use of earnings data uploaded to HMRC's real time information (RTI) system also makes CTR assessment prone to the same potential errors and inaccuracies that can affect UC entitlement. In this research, even though their income had not changed, some people lost entitlement to CTR as a result of the multiple counting of earnings within a single UC assessment period or due to erroneous pay data submitted to HMRC by their employer (the same issue can affect income-banded schemes, discussed below).

To reduce the volatility in entitlement and administrative costs associated with default schemes, councils are increasingly replacing tapering with income banding. Around a third of CTR schemes in England are now income banded, a proportion that has been growing year on year. Less costly for councils to administer and, claimed by its advocates to be generally easier for UC claimants to budget and understand – because of fewer changes in CTR entitlement – income banding is, however, no panacea. While these schemes generally work well for UC claimants whose earnings remain steady within the bands, replacing taper rates with income banding can increase marginal tax rates and create 'cliff edges' – where moving into work or earning more can result in a reduction in or loss of CTR greater than the increase in take-home pay.

For people in this research whose earnings fluctuated a lot or were on the cusp of income bands, the effect of 'cliff edges' meant that some were financially worse off by working or increasing their hours – precisely the kind of financial disincentives that UC was intended to eliminate. Though a few reduced their hours in response, the combination of a strong work ethic, UC conditionality rules and inflexible employers and employment contracts prevented most doing so. However, the sense of unfairness they felt towards working people 'doing the right thing' was palpable.

With eligibility and entitlement based on self-declared circumstances and income, discount schemes, the third type, are simpler for councils to administer and generally easier for householders to understand. However, the higher risk of overpayment, fraud and failure to adjust help to household circumstances and needs, means that only a minority of councils with generally small cohort sizes operate their schemes in this way. None of the claimants in this research had experience of discount schemes.

A bewildering array of eligibility and entitlement rules

Within these different categories, councils apply a diverse set of policies to determine CTR eligibility and entitlement, covering everything from capital (savings) limits and maximum discounts to how income, earnings and changes of circumstance are treated. Some schemes mirror UC policies in areas like capital limits or disability-related disregards, but many diverge.

Complicating things further, many CTR schemes vary entitlement according to household type, while other councils restrict maximum support to the discounts applying to lower council tax bands. Approaches also differ sharply between default/legacy schemes, which treat the full UC award as

income, and income-banded schemes, which selectively disregard certain elements, and earnings-only schemes, which disregard the whole of the UC award. Councils vary further in how they assess self-employed earnings and how they treat payments for children or disability, sometimes risking legal challenge on the grounds of discrimination. Earnings disregards also differ widely in value and availability, and some councils have removed them altogether. Reflecting on the cumulative effect of these differences, one stakeholder commented, 'they've created an absolute monster!'

Detrimental effects of the 'postcode lottery'

The variability in CTR application procedures, eligibility rules and levels of entitlement can have profoundly different financial impacts on similar families living in different council areas. It can mean the difference between getting a council tax discount potentially worth up to £125 per month and not getting any help at all.

One lone parent in our research whose take-home pay was £500 per month received no CTR, while another in similar circumstances but earning £1,900 was awarded a discount of £109 per month. Another interviewee who moved home found she was now required to pay full council tax of £148 per month compared with only £60 at her previous address, a difference of £88, even though her property band and income were the same. People living in council areas where certain payments were counted as income (such as Personal Independence Payment and the UC transitional element, intended to protect claimants from financial loss when being moved from legacy benefits and tax credits to UC), could also lose entitlement to CTR, while in other areas, these payments were disregarded.

This lived experience brings into sharp relief the way in which long-established principles in UK social security – of needs-based entitlement and of fairness and equity between households in similar circumstances – has become seriously compromised.

For local authorities, too, having to design and manage what are, in effect, their own local social security schemes, is not only administratively complex, but is increasing the risk of legal challenge, as recently upheld cases of unlawful discrimination against councils in Croydon, Trafford and Three Rivers have shown. Automating schemes and imposing policies which treat disability and child-related benefits and UC transitional payments as 'surplus' income, to the detriment of protected characteristics, are thus not merely technical matters but can have serious legal and financial implications, not only for claimants, but for councils too.

Neither default nor income-banded CTR schemes function smoothly with UC

For many low-income households, the ability to access CTR can mean the difference between keeping up with essential living costs and falling into debt; while for councils, the timely collection of council tax is a vital source

of revenue. Getting CTR design right is therefore critical.

Yet despite examples of localised good practice, there is no strong evidence from this research that devolved CTR schemes in England offer significant benefits over CTB. Scheme redesign has largely been driven by budgeting pressures, rather than meeting local needs and priorities or improving work incentives. Over time, households in which someone earns have increasingly lost out, disincentivising work and higher earnings. Linking CTR with UC claim data, and matching their policies with those of UC, has enabled some councils to increase automation and bring about other improvements, reducing staffing costs, increasing take-up and collection rates and helping to moderate the administrative burden on claimants. Nevertheless, in the context of UC's overarching objectives to simplify benefits and 'make work pay,' neither default nor income-banded CTR schemes are fully fit for purpose.

What can be done?

CTR clearly needs reforming, but how? By its very nature, the huge variation in eligibility, entitlement and assessment rules across the different council schemes make this postcode lottery a serious challenge to reform. Redesigning CTR also unavoidably involves trade-offs between scheme generosity, targeting, costs to the taxpayer, administrative efficiency and the effects on work incentives.

This said, the upcoming restructuring of local government will oblige many councils to remodel the design and delivery of CTR schemes in any case. Local government reorganisation will see the end of more than a hundred district councils across England. The new, larger unitary authorities that will replace them will mean fewer CTR schemes, offering opportunities for greater harmonisation of policies across larger geographical areas, with bigger residential cohorts.

Government policy reforms are also providing opportunities for change. The recently published child poverty strategy recognises the important role played by CTR.⁴² Statutory guidance is expected to mandate all councils to ensure that their CTR schemes actively contribute to the alleviation of poverty, while promoting more supportive arrears and debt collection practices. The removal of the two-child limit, together with other planned welfare reforms, including linking entitlement for health-related elements of UC to the receipt of Personal Independence Payment (PIP) – both likely to affect household income – also require councils to re-consider the design of their schemes. Treating disability benefits and transitional payments in UC as surplus income, too, has been deemed discriminatory by the High Court, demanding a re-think.

42 HM Government (2025). [Our Children, Our Future: Tackling Child Poverty](#).

In this changing policy landscape, below we consider the main options for reform.

Retain a localised system but with greater mandating and prescription by central government

One option would be to retain the current localised system of CTR, allowing councils to design their own schemes according to local needs and priorities, but for the government to mandate them to adhere to certain centrally prescribed policies. These could include having the same earnings disregard, for example, or minimum prescribed levels of support for protected groups such as carers, disabled people and families with dependent children. Councils could also be mandated to disregard certain child-related payments such as Child Benefit, child maintenance and the childcare element of UC.

There could also be better alignment with UC on rules such as capital limits and the treatment of income from disability benefits. For example, protected groups could be aligned with UC's 'no-work related requirements' – a group already identified as not being able to work at this time, so less able to increase their income to pay council tax. Income types which, by definition, are for specific needs – such as Child Benefit, child maintenance, childcare element and carer and disability benefits including LCWRA and disabled child elements of UC – could be disregarded. Prescribing a minimum for earnings disregards would also safeguard work incentives to an extent.

Such reforms would protect the most vulnerable from the worst aspects of localisation while enabling the principle of design choice to be retained – for example on taper rates or income banding – while introducing greater consistency and fairness across areas regarding the treatment of earnings and income. A centrally designed 'menu' could, for example, allow councils to make certain choices but these would be restricted to a list of pre-determined options. Addressing the huge variation in the rules applying to different income-banded schemes nevertheless remains a major technical hurdle, making such reforms potentially less attractive.

Reintroduce a national CTR scheme, designed centrally, updated annually and administered locally, akin to the former CTB

The main alternative to a localised system of CTR would be to revert to a scheme designed by central government/the Department for Work and Pensions but locally administered. This would reflect the former Council Tax Benefit and current pension-age council tax support scheme.

Having a national scheme would remove the significant discrepancies in eligibility and entitlement arising from the different schemes operating across England, thereby addressing much of the arbitrariness and unfairness that besets the current system. The Institute for Fiscal Studies

(IFS) has suggested that councils could be allowed to determine the proportion of council tax that each household would have covered when in receipt of the maximum UC award, retaining some local input.⁴³

Another means of retaining an element of local decision making would be to ensure the continuation of separate local authority-designed and delivered discretionary funds. The Scottish and Welsh governments could have the option of joining a new, UK-wide scheme or choose to retain control of their own national CTR schemes.

Rebating council tax by 100% for those with no earnings and on the lowest incomes (as CTB did) would be expensive, costing around £400 million more than the current funding model.⁴⁴ But a less generous scheme – that imposed minimum payments and set limits on maximum help, for example – would be less costly. Increasing minimum payments and decreasing maximum awards would make CTR less generous for households with the lowest incomes, thereby strengthening the incentive to work.⁴⁵

However, cutting maximum awards would reduce CTR entitlement for households in which no one earns. Increasing the taper rate, on the other hand, would reduce CTR for working households, weakening both the incentive to work and to earn more. If the generosity of CTR is not to be substantially reduced, nor work incentives adversely affected, then an increase in overall funding levels is therefore likely to be required.

Fully integrate support for council tax within UC

Retaining help with council tax as a separate discount or benefit can weaken work incentives because, as well as paying more income tax and National Insurance as earnings increase, claimants have both UC and CTR withdrawn simultaneously, potentially generating very high marginal tax rates.

Keeping CTR separate also generally means a lower take-up rate than if it were automatically included in UC. Although the government has no current plans to do so, a further step would be to integrate a redesigned national scheme within Universal Credit. Gradually reducing support as income rises in a more consistent and predictable way than is the case currently could help to mitigate some of the adverse work incentives arising from interaction between CTR and UC.

How could this work in practice? The IFS has suggested that, rather than receiving council tax support separately from UC, households would have

⁴³ Oulton, M and Wernham, T (2026). How does council tax support shape household incomes and work incentives? The Institute for Fiscal Studies.

⁴⁴ Clegg, A (2025). The localisation era: Assessing the post-2013 rise of localised social security. Safety Nets. p47

⁴⁵ For further details, see Oulton, M and Wernham, T (2026). How does council tax support shape household incomes and work incentives? The Institute for Fiscal Studies.

any reduction they were eligible for as a new 'council tax element' in their UC payment.⁴⁶ The cash equivalent of the discount would thus be added to their monthly UC award as any elements received for rent, children, caring and disability currently are, with the total UC amount tapered away as their income increased in the usual way.

Under such a scheme, claimants would be responsible for paying their full council tax bill, assisted by the additional council tax element they receive in their UC award. Deductions from the UC payment and the offer of alternative payment arrangements, the IFS suggests, could be used for claimants unwilling or unable to take responsibility for paying council tax themselves. If cost neutrality was a priority, this could potentially be achieved by increasing the UC taper rate and/or increasing council tax minimum payments (although overall expenditure may nevertheless be higher due to the increase in take-up as a result of extended eligibility and entitlements paid automatically).

One significant advantage of embedding council tax help within UC would be a smooth withdrawal in support as income rises. IFS research indicates that integration would mean that practically no workers would face a marginal tax rate above 75%.⁴⁷ However, as highlighted in this research, both increasing minimum payments and adding a 'council tax element' to the UC award could increase the risk of non-payment by some claimants.

Raising the UC taper rate, on the other hand, would undermine work incentives and undo the earlier reform of 2021, which saw the rate reduce from 63% to its current level of 55%. However, the costs and financial risks associated with full integration – for the taxpayer (potentially more costly), claimants (risk of council tax arrears if any additional UC element they received was spent on other things) and councils (risk of lower council tax collection rates and higher arrears) – may undermine the arguments for doing so.⁴⁸

Further work is clearly needed to flesh out the administrative and technical issues associated with these different options and the inevitable trade-offs in terms of taxpayer cost, targeting, means-testing and work incentives. An important area of consideration will be the financial impact of the various options on UC claimants, both in relation to the incentive to enter work and to increase earnings.

We would, however, concur with the Resolution Foundation that reverting the funding and design of CTR to central government while retaining local authority delivery and administration⁴⁹ – essentially returning to the model

⁴⁶ For a more detailed explanation, see the Oulton and Wernham 2026 report, p33

⁴⁷ Ray-Chaudhuri, S and Waters, T. (2024). Universal credit: incomes, incentives and the remaining roll-out. The Institute for Fiscal Studies. p4

⁴⁸ Further exploration of the trade-offs and relative costs and risks of the different options are set out in the IFS's 2026 report.

⁴⁹ Clegg, A (2025). The localisation era: Assessing the post-2013 rise of localised social security. Safety Nets. p48

of Council Tax Benefit – may be the simplest and least risky option, in the short to medium term at least.

More immediately, a relatively straightforward improvement would be an expansion in the range of data provided to councils by the DWP in the UCDS, to incorporate existing as well as new UC claimants. This would help both to increase take-up of CTR and improve administrative efficiency.

Locally devolved decision-making around help for the most vulnerable low-income, working-age households, which carries a lower risk of legal challenge, could be achieved by de-coupling some of this support both from council tax and Universal Credit. For example, this could be done by boosting funding for discretionary schemes such as the newly launched Crisis and Resilience Fund. The option of fully integrating CTR into the UC award could be explored as a possible longer-term objective linked to the wider ongoing review of Universal Credit.

Ultimately, whatever reforms are made, an effective CTR scheme that protects the most vulnerable, offers decent work incentives to low-earners and is simple and efficient to administer, will require an appropriate level of funding.

Annex

Annex: Research methods and further details about interviewees

Survey methods

Between June and October 2025, we conducted a self-administered online survey with two key objectives: to gain broader insights into the experiences of working Universal Credit (UC) claimants in receipt of, or who had applied for, Council Tax Reduction (CTR), and to recruit participants for qualitative interviews.

In collaboration with entitledto – a charitable organisation that operates an online platform for checking benefit entitlements – we invited UC claimants who were either working themselves or living with a working partner, and who were currently receiving or had recently received CTR, to complete the survey via a link embedded in the entitledto online benefit calculator. At the start of the survey, respondents were asked some screening questions to check that they met our eligibility criteria:

- Are you, or your partner, in paid work or self-employed (or both) and also getting Universal Credit?
- Are you (or your partner) getting a reduction on your council tax due to having low earnings or income? This is usually called ‘Council Tax Reduction (CTR)’ or ‘Council Tax Support’ and is different from the Single Person Discount.
- Have you had help with council tax in the last 12 months but no longer qualify for it (for example, because your household income has increased)?

A total of 600 Universal Credit (UC) claimants began the survey, but 393 did not meet the eligibility criteria. Of the remaining 207 participants who completed the survey, 47 were found – based on their responses – to be receiving only the 25% Single Person’s Discount (SPD). This aligns with findings discussed in chapter four, which suggest that some claimants were either unaware of, or confused about, additional discounts available beyond the SPD. These 47 responses have been excluded from the quantitative survey analysis presented in chapter three, although where relevant for contrasting experiences, we report on their experiences in the qualitative findings in chapter four.

Our analysis in chapter four is therefore based on the 160 respondents who met our eligibility criteria. During the qualitative interviews, it also became

clear that a few participants had applied for Council Tax Reduction (CTR) but were still awaiting confirmation, meaning that the discount had not yet been applied. As a result, it is likely that some survey respondents had not yet received their CTR at the time of completing the survey. It was not clear from the survey responses who these claimants were, so we were unable to exclude them from the analysis. They nevertheless offer valuable insights into application processes and procedures.

The survey results were analysed using Excel. The following table shows the characteristics of the survey sample.

Table 1. Survey sample characteristics (n=160)

	Number	Percentage
Age groups		
21-24	3	2%
25-34	44	28%
35-44	52	33%
45-54	37	23%
55-64	23	14%
65 and over	1	1%
Total	160	100%
Gender		
Man	31	19%
Woman	128	80%
Non-binary	1	1%
Total	160	100%
Ethnicity		
Asian or Asian British	13	8%
Black, Black British, Caribbean or African	17	11%
Mixed or multiple ethnic groups	4	3%
White	123	77%
Other	3	2%
Total	160	100%

	Number	Percentage
Disability or health condition that limits capacity to work		
Yes	92	58%
No	60	38%
Prefer not to say	8	5%
Total	160	100%
UC claimant type		
Lone parent with dependent children in the household	72	45%
Single person without dependent children in the household	49	31%
Couple with dependent children in the household	29	18%
Couple without dependent children in the household	10	6%
Total	160	100%
Number of dependent children in the household		
One	49	49%
Two	27	27%
Three or more	25	25%
Total households with dependent children	101	100%
Household earner status		
Dual-earner couple	9	6%
Single-earner couple	30	19%
Working lone parent with children	72	45%
Working single claimant without children	49	31%
Total	160	100%
Self or partner self-employed		
Yes	37	23%
No	123	77%
Total	160	100%

	Number	Percentage
Subject to self-employment Minimum Income Floor (MIF)		
Yes	20	54%
No (still in 12-month start-up period)	7	19%
No (exempt from MIF)	10	27%
Total	37	100%
Receipt of Council Tax Reduction		
Currently receiving CTR	94	59%
Previously received CTR in the last 12 months	66	41%
Total	160	100%
Length of time receiving CTR		
Less than three months	11	12%
Between three and six months	5	5%
More than six months but less than a year	9	10%
One to two years	21	22%
Over two years	48	51%
Total	94	100%
Council tax band		
A	42	26%
B	42	26%
C	38	24%
D	13	8%
E	2	1%
F	2	1%
Not sure	21	13%
Total	160	100%

Qualitative interviews

Of the 207 survey respondents, 104 provided an email address and said we could contact them about potentially taking part in a telephone interview. We emailed all of these respondents, resulting in 30 interviews, each 30 minutes to an hour long, between September and October 2025. Interviews were transcribed in full and coded by the researchers into themes using Maxqda (a computer assisted qualitative data analysis software). Aliases are used throughout the report to anonymise quotes and minor details may have been changed to protect personal identities. The table below shows the characteristics of the qualitative sample.

Table 2. Qualitative interviewee characteristics (n=30)

	Number	Percentage
Age groups		
21-24	0	0%
25-34	7	23%
35-44	11	37%
45-54	9	30%
55-64	2	7%
65 and over	1	3%
Total	30	100%
Gender		
Man	3	10%
Woman	27	90%
Total	30	100%
Ethnicity		
Asian or Asian British	4	13%
Black, Black British, Caribbean or African	2	7%
Mixed or multiple ethnic groups	1	3%
Other	1	3%
White	22	73%
Total	30	100%

	Number	Percentage
Household type		
Lone parent with dependent children in the household	15	50%
Single person without dependent children in the household	9	30%
Couple with dependent children in the household	5	17%
Couple without dependent children in the household	1	3%
Total	30	100%
Number of dependent children in the household		
One	12	60%
Two	5	25%
Three or more	3	15%
Total households with dependent children	20	100%
Adult children living at home		
Yes	11	37%
No	19	63%
Total	30	100%
Housing type		
Social housing	12	40%
Private rented housing	9	30%
Council housing	2	7%
Have a mortgage	5	17%
Shared ownership (part mortgage, part rent)	1	3%
Temporary accommodation	1	3%
Total	30	100%
Adult in household with disability or health condition		
Yes	17	57%
No	13	43%
Total	30	100%

	Number	Percentage
Child in household with disability or health condition		
Yes	4	13%
No	26	87%
Total	30	100%
Adult or child in household with disability or health condition		
Yes	19	63%
No	11	37%
Total	30	100%
Household earner status		
Dual-earner couple	1	3%
Single-earner couple	4	13%
Non-earner couple	1	3%
Working lone parent with dependent children in the household	15	50%
Working single claimant without dependent children in the household	9	30%
Total	30	100%
Self or partner self-employed		
Yes	7	23%
No	23	77%
Total	30	100%
Working full or part-time		
Full-time	4	13%
Part-time	25	83%
Not working (stopped since completing survey)	1	3%
Total	30	100%



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