

Council Tax Reduction in 2026 / 27: Practical approaches to policy reform and supporting the most vulnerable

Tuesday 17 February 2026

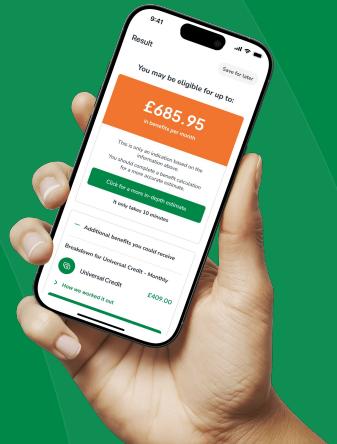
Housekeeping

- Audio check
- Q&A at the end
- Aim to finish by 11.30
- Slides and recording will follow
- Connect with us on LinkedIn ([Policy in Practice](#))



Policy in Practice

We empower organisations to **reduce financial vulnerability** and **safeguarding risk**



Our research shows
£24 billion of support
is unclaimed every year



Today's speakers and panelists



Deven Ghelani
Founder and Director,
Policy in Practice



Lindsay Sayer
Partnership and Innovation Senior
Manager, South Norfolk and
Broadland District Councils



Rory Ewan
Senior Policy and Data Analyst,
Policy in Practice

Poll

Which of these changes make you want to look at the design of your CTR scheme again?

- **Budget pressures** from other parts of the council
- **Local Government Reorganisation** and / or **Fairer Funding**
- **Policy changes** e.g. the Child Poverty Strategy, Supportive Collection Practices or the new Outcomes Framework for Local Government?
- The outcome of **Judicial Reviews** of other LA CTR schemes
- **Administration costs** and accurate and speedy processing

- **Welcome remarks**
Deven Ghelani, Founder and Director, Policy in Practice
- **What to consider when designing your CTR scheme for April 2027**
Rory Ewan, Senior Policy and Data Analyst, Policy in Practice
- **Harmonising schemes and navigating future challenges**
Lindsay Sayer, Partnership and Innovation Senior Manager South Norfolk and Broadland Councils
- **Pressures on councils: Complex administration and tight budgets**
Deven Ghelani, Founder and Director, Policy in Practice
- **Open discussion and Q&A**

Rory Ewan

Senior Policy and Data Analyst,
Policy in Practice

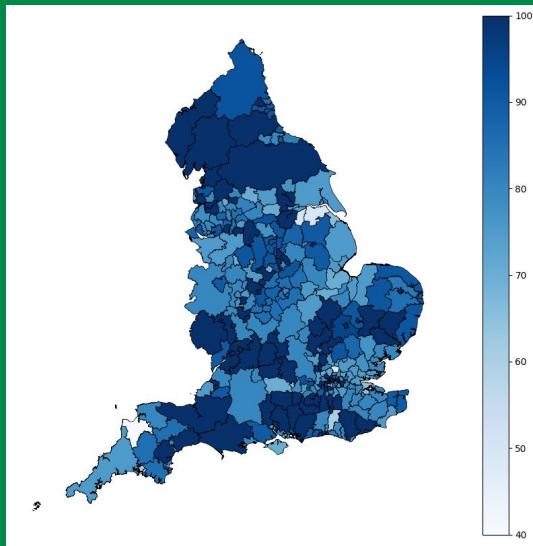
**What to consider when
designing your CTR
scheme for April 2027**



Council Tax Reduction in 2026

- Council Tax Reduction remains a vital tool and piece of support for households experiencing poverty.
- How schemes are designed for working-age households is crucial for LAs in supporting their residents and protecting those in financial hardship. This is especially true with the increasing council tax bills that households face.
- In the light of developing court cases, statutory and non-statutory guidance, and welfare reforms, it is vital that Local Council Tax Reduction schemes can meet all the requirements and fit into a changing landscape.

How schemes have changed in the past few years



- **Support has declined** with the average max award decreasing to 90%, and some schemes offering a max of 40%. Over 570,000 have lost support since 2016.
- **A postcode lottery remains in place**, with schemes often changing drastically from neighbouring LAs. LGR may change this further.
- **Some LA's are reversing previous cuts**, with 47% of LAs offering 100% in 2025, up from 41% in 2020-21.

Working age maximum award for non-protected groups across local authorities in England, 2024-25. Source: Data from Policy in Practice's Better Off calculator
Excludes protected groups and passported cases.

How schemes have changed in the past few years

- **Council Tax Arrears are soaring** - arrears reached £3.5bn before COVID-19, but have now increased to £6 billion.
- **Affordability is a key driver of arrears** - wealthier areas have higher collection rates whilst those in more deprived areas struggle. LAs with a higher minimum payment tend to see lower collection rates.
- **Admin complexity hurts take-up**, with UC now the main (only) benefit for working-age households, aligning to changes of circumstances can reduce reassessments and change of circumstances.

The landscape for CTR Schemes is changing

- Although previous changes arose from funding cuts for LAs and other circumstances such as COVID-19, 2026 onwards presents an entirely new challenge for LAs in designing their schemes and ensuring they meet their current and future commitments.
- Funding changes are arising from the Fair Funding Review, local government reorganisation and wider pressures such as TA costs and social care.
- More statutory and non-statutory guidance on how schemes should operate both CTR and collection is on the way, informing how LAs should support vulnerable households.
- Welfare reforms (2CL, LCWRA) can change the makeup of your CTR cohort and change how they interact with your CTR scheme.
- An increasing number of Judicial Reviews and Court Decisions to consider in the rationality of schemes and how changes impact residents.

Judicial Reviews and Court Challenges

Recent Judicial Reviews have meant that you should ensure that:

- The consultation and council vote on any changes to CTR are full and proper.
- If you take both UC and non-means tested income into account, that you are not 'double counting' the non-means through not disregarding it for the UC income.
- If you are taking UC Transitional Protection into account as income. This has recently been ruled to be discriminatory as it causes a decrease in award for moving to UC.

Current Judicial Reviews cover how reduction in awards simply by transitioning from legacy to UC can be discriminatory due to differences in how legacy and UC cases are treated.

Overall, you should be checking the above points:

- If your scheme is different for legacy cases vs UC cases.
- Can your CTR award change due to policy, without any change in household income?

What questions should I consider in designing a scheme?

1. How does the removal of the **two-child limit** impact households on your scheme?
2. How does the **Child Poverty Strategy** influence the design of your scheme?
3. What does the new **Supportive Collection Practices** mean for my scheme?
4. How do the new **Outcomes Framework** for Local Government impact my scheme?
5. How will **Local Government Reorganisation** impact the design of my scheme?
6. How might the **end of managed migration** and the **Universal Credit Act 2025** impact households on my scheme?
7. What impact could the outcome of the **Timms Review** of disability benefits have on my scheme?
8. Does the outcome of **Judicial Reviews** of other LA CTR schemes impact my scheme?

Example: Impact of Two Child Limit Removal

Example Council Tax Weekly Income Bands				
Band	% Support	No Children	1 Child in the Household	2+ Children in the Household
1	100%	£0 - £100	£0-£180	£0-£260
2	85%	£100 - £150	£180-£230	£260-£310
3	60%	£150-£200	£230-£280	£310-£360
4	40%	£250-£300	£280-£330	£360-£410
5	15%	£350-£400	£380-£430	£410-£460

Some banded schemes take into account income under Universal Credit

- In April 2026 each additional child increase income by £304 a month, and lower support through CTR
- Consider carefully whether to take elements of Universal Credit into account, LCWRA could cause a similar issue.
- Taking earnings only into accounts avoids this complexity.

Council Tax Reduction

Lindsay Sayer

Partnership and Innovation Senior Manager
South Norfolk and Broadland District Councils



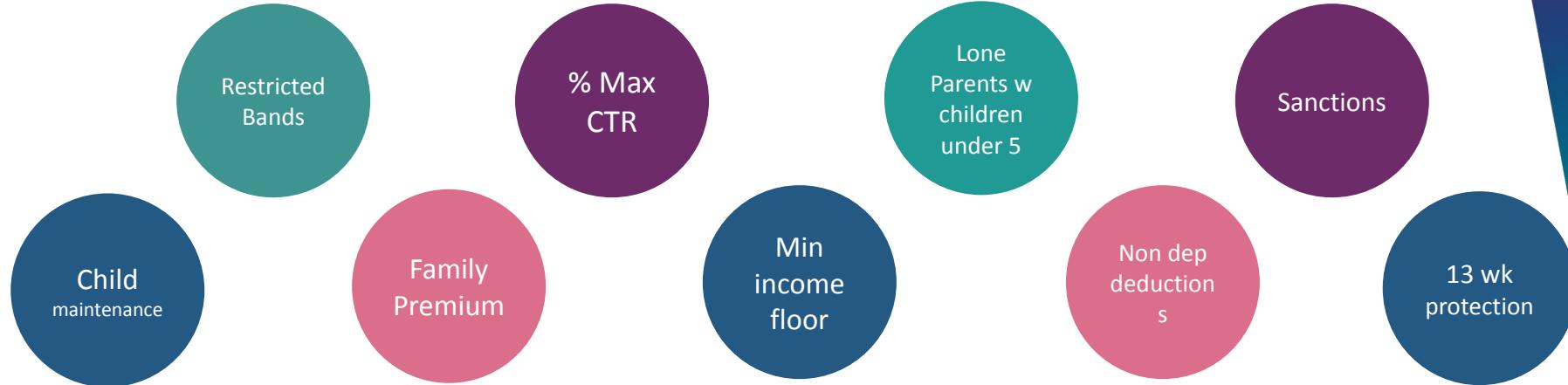
Challenge 1



2020 - 'Two Councils – One Team' - *2 Different Schemes*

2021 - How do we bring the 2 CTR schemes together?

Key Differences:



What is the ideal CTR scheme?

All schemes aim to have these three elements

But! You can't have all 3

How do we strike the balance?

Modelling allows us to consider the implications of proposed changes

LOW-COST



SIMPLE



FAIR

How did we do it?

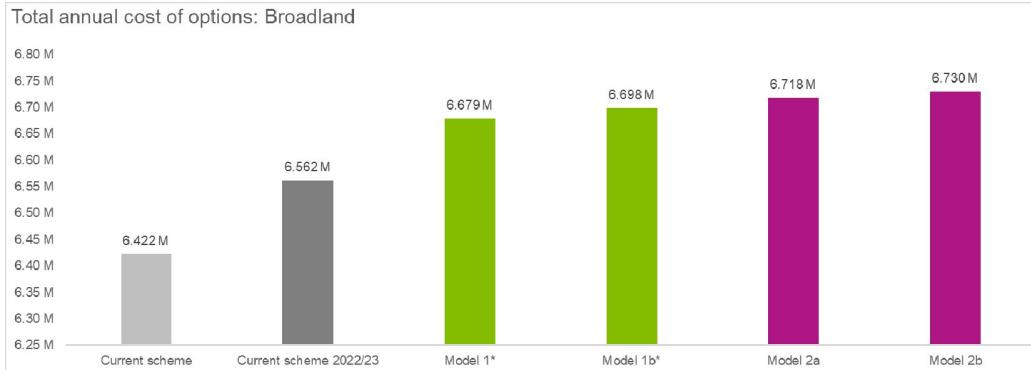
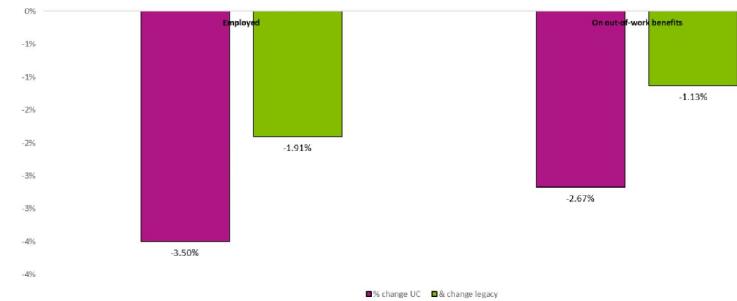
3 Models with Policy In Practice

Collaborative process

Member engagement - present the models and discuss the implications

Transparent process

Percentage change in weekly CTR compared to current scheme retained into 2022/23, by economic status



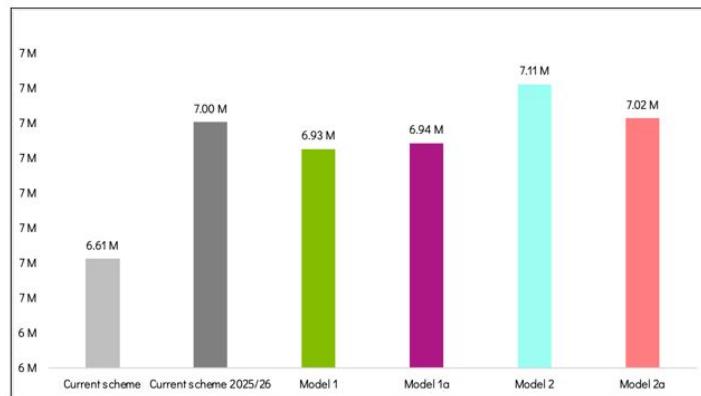
Challenge 2

2024

How do we increase the award when we have no more budget?

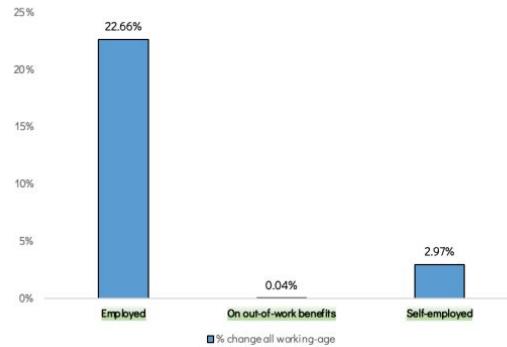
How do we convince both Councils?

Total annual cost of options



Cost of current scheme, current scheme retained into 2025/26, and Models 1, 1a, 2, and 2a.

Percentage change in weekly CTR compared to current scheme retained into 2025/26, by economic status



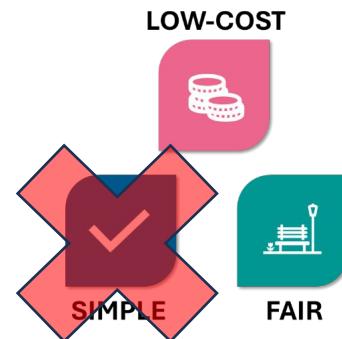
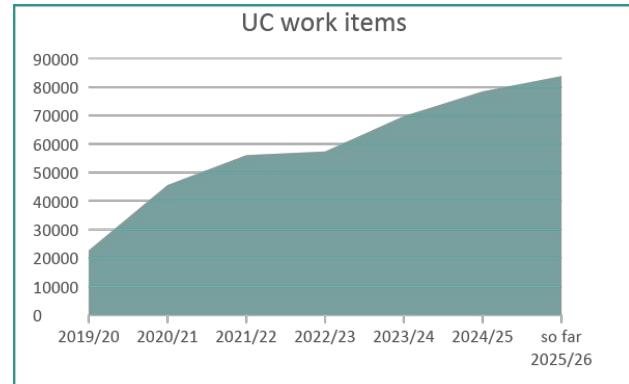
The Future

UCDS – How do we deal with the numbers?!

We have a fair & low-cost scheme, but it is not simple

Scheme says we'll use UCDS records as new claim
- better for customers, but hard to administer

What are the solutions?





Policy in Practice

Deven Ghelani

Founder and Director of Policy in Practice

Pressures on councils: Complex administration and tight budgets

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South Norfolk & Broadland Project

Objective: **Assess UCDS new claim notifications for CTR eligibility**

Context:

- SN&B commitment to supporting eligible families onto CTR
- Workforce constraints prevented assessing all claims manually
- RevBens system cannot create all claims automatically from UCDS
- Cross-government focus on prevention and proactivity
- Impact on household financial resilience, wellbeing and collections

Question: **Can PIP assess UCDS new claims so >75% of processed claims are successful?**

Outcomes in South Norfolk & Broadland

What we did

- Brought Council Tax Liability into LIFT to identify households with a council tax liability
- Linked CTL to UCDS to apply reliefs and accurately assess CTR
- Deliver a list of households who were likely to be eligible, along with their level of discount.

99%
linkage rate

>90%
eligibility
agreement rate

Expect benefits

- Increased CTR take-up
- Reduced CT arrears
- Avoided collections costs
- Reduced hardship
- Reduced regulatory risk
- Avoided manual processing

Bringing CTL into LIFT has benefits for take-up, collections and more.

The same engine can assess
change of circumstances too.

“

**How can we save the most money,
while doing the least harm?**



Zoe Charlesworth

Policy and Research Consultant

Common options to drive savings and protect residents

- Typically, four in five households on CTR have no earnings
- The most common protected groups are
 - Lone parents with a child under 3 or under 5 years of age
 - Claimants receiving Personal Independence Payment (PIP) or (DLA)
 - Claimants receiving one of the health elements of Universal Credit (ESA)
 - Claimants receiving Carer's Allowance
- But using LIFT you can see single people living alone are often the most isolated
- Flat rate non-dependent deductions are generally seen as sensible as is the MIF
- Band caps save money, but aren't fair on larger families (though 2CL improves things)
- Save what you can on administration costs, treat Universal Credit as an intent to apply and use the data in UCDS to help you administer your scheme.

...

“

Avoid making cuts to your CTR scheme if you can!

You avoid the cost of in collections, CRF and the knock on Social impacts, often worth as much as you save...



Zoe Charlesworth

Policy and Research Consultant

Discussion and Q&A

What's next

If you would like to speak with us about how we can help you design a **better, fairer Council Tax Reduction Scheme** while maximising opportunities from local government reorganisation, [book a chat with us](#) using this QR code or this [link](#)



Register for our next free webinar:



Free webinar

From arrears to resilience: How local authorities and housing organisations streamline their resident journey

Wednesday 25 March
10:30 to 11:30

Guest speaker

LIVV
housing group



Policy in Practice

Thank you to today's speakers

Lindsay Sayer, Partnership and Innovation Senior Manager,
South Norfolk and Broadland District Councils

Deven Ghelani, Founder and Director of Policy in Practice

Rory Ewan, Senior Policy and Data Analyst, Policy in Practice

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