

LONDON BOROUGH OF CAMDEN	WARDS: All
REPORT TITLE Council Tax Support 2026/27 and Section 13a discretionary scheme policy update to include a terminally ill discount class (CS/2025/15)	
REPORT OF Cabinet Member for Finance and Cost of Living	
FOR SUBMISSION TO Resources and Corporate Performance Scrutiny Committee Cabinet Council	DATE 8 th December 2025 10 th December 2025 19 th January 2026
STRATEGIC CONTEXT <p>We Make Camden is our joint vision for the borough, developed in partnership with our community. Both our Council Tax Support scheme and our Section 13a Discretionary Reductions Policy support the Council's wider objectives as part of its debt and welfare ambitions to provide significant support for residents on low incomes.</p> <p>Our Council Tax Support scheme alone reduces the cost of Council Tax for over 22,000 households and plays a major part of the Council's pledge to make Council Tax fairer and 'to ensure that no child, no resident and or family in Camden go hungry or cold'. The scheme represents a significant investment of around £34.5m during 2025/26 to reduce the financial burden on residents living on benefits or low earnings.</p> <p>Our Council Tax Support Scheme is based on the London Living Wage which helps to reduce inequality and ensure fair wages. It addresses poverty, enables families and disabled people to live in Camden and supports those entering employment.</p>	
SUMMARY OF REPORT <p>This report sets out Camden's proposals to provide a Council Tax Reduction Scheme (CTS) for the year 2026/27.</p> <p>Camden's current scheme is one of the most supportive CTS schemes in the country with income bands based on the London Living Wage uprated annually. Over 16,100 households (including over 5,400 pensioners) in Camden currently receive 100% support and do not pay any Council Tax.</p>	

Camden's significant commitment to the scheme, to help support low income households, continues whilst budget pressures have seen numerous councils both in London and across the country reduce the levels of support under their schemes in recent years.

It is proposed that the current Council Tax Support scheme remains in place for 2026/27, with income bands uplifted in line with the new levels for the London Living Wage announced on 22 October 2025. The report is coming to the Council as the Local Government Finance Act 2012 amends the Local Government Finance Act 1992 by setting out the requirement for the Council to formally agree a CTS scheme on an annual basis.

In addition to being asked to approve the Council Tax Support scheme, the Council is also asked to separately approve an amendment to our Section 13a Discretionary Reductions Policy to include a new 'class' of discount relating to residents who are terminally ill and experiencing financial difficulty, where they are not entitled to 100% Council Tax Support.

Local Government Act 1972 – Access to Information

No documents that require listing were used in the preparation of this report.

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RECOMMENDATIONS

The Resources and Corporate Performance Scrutiny Committee is asked to consider the report and make any recommendations to Cabinet.

Having due regard to the obligations set out in section 149 of the Equality Act 2010 and the Equalities Impact Assessment at Appendix C and E:

The Cabinet is asked to:

- (i) Recommend the Council to agree that, from 1 April 2026, the current Council Tax Reduction Scheme is updated to reflect the new London Living Wage amount in our income bands as set out in Appendix B.
- (ii) Recommend the Council delegate authority to the Director of Finance to make changes to the approved scheme during 2026/27 to reflect any requirements set by Government to either the prescribed regulations for pensioners or the local working age scheme to ensure the scheme remains legally consistent and up to date as the legislation changes.
- (iii) Agree and recommend the Council to agree the adoption of the revised Council Tax Discretionary Reductions policy as set out in appendix D with

effect from 1 February 2026. This introduces a new discount class but also reconfirms Camden are happy to retain the existing discounts available under the policy too.

The Council is asked to:

- (iv) Agree that, from 1 April 2026, the current Council Tax Reduction Scheme is updated to reflect the new London Living Wage amount in our income bands as set out in Appendix B.
- (v) Delegate authority to the Director of Finance to make changes to the approved scheme during 2026/27 to reflect any requirements set by Government to either the prescribed regulations for pensioners or the local working age scheme to ensure the scheme remains legally consistent and up to date as the legislation changes.
- (vi) Agree that, from 1 February 2026, the revised Council Tax Discretionary Reductions policy as set out in appendix D comes into effect. This introduces a new discount class and reconfirms Council are happy to retain the existing discounts available under the policy too

Signed: Daniel Omisore, Director of Finance
Date: 26 November 2025

1. CONTEXT AND BACKGROUND

Council Tax Support scheme

- 1.1 We Make Camden sets out a commitment ‘to ensure that no child, no resident and no family in Camden go hungry or cold’ and an ambition that ‘everyone should have a secure livelihood to support them to live a prosperous life.’
- 1.2 Our Council Tax Support (CTS) scheme remains an integral element of Camden’s commitment to support residents on low incomes. It forms part of the Council’s wider approach to tackling poverty, supporting households in debt and supporting residents’ sustainable short- and long-term financial resilience.
- 1.3 The CTS scheme represents a significant investment of around £34.5m during the current 2025/26 financial year to reduce the financial pressure on the lowest income households in the borough. By reducing their Council Tax payable, we free up their income to be used for other priorities.
- 1.4 Despite significant financial challenges to date and expected over the next few years, Camden is not looking to reduce the level of support offered under our scheme for the 2026/27 financial year. This is a significant investment by Camden to support our most vulnerable residents against a backdrop of numerous councils across London and England having had to make the hard choice to reduce the levels of support over the last few years due to the same financial challenges we face. By investing significantly in our scheme again for 2026/27 to reduce the burden of Council Tax on our most vulnerable residents, we are again demonstrating our commitment to prioritise supporting our objectives to support and prevent low income households being in cycles of debt.
- 1.5 The £34.5m investment in our Council Tax Support Scheme in 2025/26 is just one of a number of ways the Council has significantly invested as part of a wider package of support for the least well off in the borough.
 - We recognise the ongoing profound impact the cost of living crisis continues to have on our residents and communities and in 2025/26, **we invested £2m in our Cost of Living Fund**. This has become a critical part of our efforts to support those in most need.
 - **Household Support funding totalling £4m** has been used to support families with children through school holidays over the course of the year and in addition providing financial help to pensioner households in partnership with Age UK Camden.
 - Continuing our commitment **to £4m per year** allocated grant funding for the voluntary sector;
- 1.6 Every year the Council must decide whether to keep the existing CTS Scheme or revise it. The CTS Scheme awards a Council Tax discount for low-income households, with our current scheme offering a discount of up to 100% depending on household income and circumstances. The decision to adopt a scheme must be taken by Full Council, and any revision to the scheme or any replacement

scheme must be made no later than 11 March 2026 or the existing scheme must continue to apply for the following financial year.

- 1.7 This report does not discuss the scheme for people of pension age as this is prescribed by law and cannot be changed. Therefore, the Council Tax Support scheme consists of different criteria for pensioner and working age households.
- 1.8 As at October 2025, 16,114 households (including pensioners) are receiving 100% reduction in their council tax charge through Camden's existing banded CTS scheme (incorporating annual increases in the London Living Wage amount for working age households). This means that despite the scheme coming into effect from 1 April 2020, it still remains one of the most supportive CTS schemes in the country.
- 1.9 Whilst the level of support available under our Council Tax Support scheme is driven by household income, the Council also assists residents to ensure that any eligible discounts are explored to reduce residents Council Tax liability. This includes considering cases of hardship under the Section 13a process which remains a key element of support for those residents not eligible for 100% reduction from our CTS scheme as well as other households in the borough whose income may be too high to be supported under the CTS scheme but experience short- or long-term financial hardship.
- 1.10 Led by our Money Advice Camden Service, we will continue to adopt a strong preventative approach to residents needing support around financial welfare, helping our residents become more financially secure in the long term. This work includes;
 - ongoing collaboration across departments to resolve debts owed by residents to multiple services;
 - improving uptake around local and national benefits (including Council Tax Support, Universal Credit / Housing Benefit, pension credits, etc.) to ensure households can maximise their incomes through raising awareness of what they may be entitled to claim;
 - a single gateway to both debt advice and support by standardising communication, building relationships with residents early, aligning policies around debt across services and either providing direct advice and support around debt or signposting them to key third sector organisations in the borough are key to our ambitions.
- 1.11 Given this context, Camden's CTS scheme remains integral in assisting the Council's ambition at reducing hardship and poverty within the borough.

Council Tax Section 13a discretionary discount policy change – creation of a new 'terminally ill experiencing financial hardship' discount class

- 1.12 Camden have provided support to terminally ill residents for several years through the 'exceptional circumstances' provision of our Council Tax Support (CTS) scheme. This includes residents who, despite not qualifying for a full 100% reduction, has consistently demonstrated that their daily financial burden

would leave them struggling. As a result, their remaining council tax charge has been reduced to nil each year.

- 1.13 However, because this support is embedded within the broader and less visible 'exceptional circumstances' category, intended as a general safety net for those facing financial hardship, there is a concern that other potentially eligible households may not be aware of this option. This includes those who already receive partial support under the CTS scheme as well as those who have not yet applied.
- 1.14 Camden has long recognised under its existing section 13a policy that whilst households may have income which exceeds the thresholds to be eligible for either full or partial support from our Council Tax Support Scheme, terminally ill residents are likely to have higher costs which could cause financial hardship. This could include things like medicine, private treatment, travel (due to mobility issues), cost of external care providers and even higher utility bill costs. Therefore, where a resident can evidence this is causing financial hardship on the household, we would continue to reduce any remaining council tax charge (after Council Tax Support where they are eligible under that scheme) to nil in order to support the household and prevent poverty as we would for any current reduction of council tax under exceptional circumstances in the existing Section 13a discretionary discount policy.
- 1.15 By moving this reduction from an example of exceptional circumstances to its own class of discount we hope that it will give the support more prominence to both residents themselves but also local and national organisations to signpost them to for awareness to claim this discretionary reduction.

Camden's desire to improve the prominence of this discretionary reduction is supported by a paper Marie Curie produced a paper in 2024 regarding people dying in poverty in the last year of their life. A copy of that paper can be found here: <https://www.mariecurie.org.uk/document/dying-in-poverty-report-2024>

- 1.16 This support through our section 13a discretionary discount policy is only one element of supporting households affected by terminal illness that are experiencing financial hardship alongside existing support such as the Cost of Living Fund; Household Support Fund as well as Discretionary Housing Payments.
- 1.17 By approving the new discount class of reduction in the updated section 13a policy, Council are therefore being asked to also confirm they support the existing discretionary discounts available under the scheme to continue that have been implemented since 2010:
 - 1.17.1 Flood / Fire and environmental factors causing displacement
 - 1.17.2 Foster Carers who foster for Camden
 - 1.17.3 Family or friends foster carers for Camden
 - 1.17.4 Care leavers
 - 1.17.5 Carers under Camden's 'shared lives' carer scheme
 - 1.17.6 Exceptional circumstances (financial hardship, etc.)

2. PROPOSAL AND REASONS

- 2.1 Given the ongoing issues faced by Camden's most vulnerable residents and the efforts of our dedicated Money Advice Camden debt and welfare service to support residents struggling financially, it is proposed that no change is made to the eligibility or levels of support within the Council Tax Reduction Scheme policy for working age households. Any reduction in awards for 2026/27 would be counterproductive to the objectives of that service. It would also likely drive-up demand for alternative financial support to offset the additional council tax cost they would incur and/or via increase applications for discretionary council tax reductions on the grounds of hardship under the 'exceptional circumstances' element of our section 13a Council Tax discretionary reductions policy.
- 2.2 Working age council tax payers with no or very low-income will continue to receive Council Tax Reduction of 100% of their Council Tax charge. New London Living Wage (LLW) levels have recently been announced and the income bands for 2026/27 will be uplifted in line with the policy to reflect the new hourly rate of £14.80 (up from £13.85 last year).
- 2.3 The Council's scheme works based on income bands and ensures it supports both residents on Universal Credit or legacy benefits and those working but on low incomes. This ensures the scheme is simple to understand and award, reducing complexity for both residents and assessors. Claims are assessed on the basis of gross household income, with additional support for families with children and those with disabilities.
- 2.4 The uprated bands are set out below and show that those earning up to £118.39 a week will receive 100% and even those earning up to £666 a week will continue to receive some support with the cost of Council Tax if they have children or receive disability or carers benefits.

Earnings Band		Circumstances		
		No Children	Responsible for at least one child	Disabled or Caring Responsibility
1	Not working or earning less than LLW x 8 hours (£118.39)	100%	100%	100%
2	Earning between LLW x 8 hours and LLW x 16 hours (£118.40 to £236.79)	55%	65%	85%
3	Earning between LLW x 16 hours and LLW x 36 hours (£236.80 to £532.79)	35%	45%	55%
	Earning between LLW x 36 hours and 10% above LLW x 36 hours	0%	30%	45%

4	(£532.80 to £586.07)			
5	Earning between 10% above LLW x 36 hours and 25% above LLW x 36 hours (£586.08 to £666.00)	0%	15%	30%

Review of scheme

- 2.5 A detailed review of the scheme is to be conducted during 2026 to consider if the CTS scheme for 2027/28 needs to be redesigned. This will ensure time for any subsequent mandatory consultation regarding any potential changes proposed as a result. It will review the impact of the current scheme on residents, the financial impact (for residents and the Council) alongside the Council's budgetary situation as a result of the new funding arrangements for the next 3 years, and options around what future year schemes could look like based on these impacts feeding into a decision in 2026/27 to determine the scheme for 2027/28.

Amendment to our Council Tax discretionary reductions policy

- 2.6 In real terms, there is no change as we previously treated terminally ill cases under the 'exceptional circumstances' element of our scheme as a specific example of justification for a discretionary discount as the discount will remain based on demonstrating there is financial hardship being experienced by the household. However, we hope having this as its own discount 'class of reduction' will put more focus on it and increase uptake from eligible households to align with the council's wider debt and welfare objectives which include residents taking up all eligible discounts, relief and maximising welfare entitlements to maximise household incomes and prevent poverty. As the 2024 Marie Curie paper indicates a national issue regarding households living in poverty in the last year of their lives, we hope that the greater prominence of this discretionary discount will both increase uptake but also provide a gateway for those residents affected to engage with us to discuss wider support available to them locally and nationally.

3. OPTIONS APPRAISAL

- 3.1 With regards to our Council Tax Support scheme, the Council could:
- a) Retain the current scheme with income bands being uplifted to reflect the revised London Living Wage figure
 - b) Adopt a completely different scheme
- 3.2 It is proposed that Camden goes with option A to retain the current scheme in place for 2026/27, with the income bands being uplifted to reflect the revised London Living Wage figure announced in October 2025. The scheme currently operates efficiently and aligns to the wider work the Council is doing to support our most vulnerable residents. The Equalities Impact Assessment shows that the scheme has a positive impact on protected groups. The

Council also has its separate local discretionary section 13a policy that gives us the ability to reduce or clear Council Tax arrears on the grounds of financial hardship for those only entitled to partial CTS or even no CTS under the scheme, enabling us to ensure there is no potential for discrimination. All appropriate opportunities to advance equality and foster good relations have been taken.

- 3.3 Maintaining the current scheme with the uplift of the income bands provides certainty and clarity for residents and advice partners for another year. In addition, it would be difficult to substantially alter or replace the current scheme, as there would be insufficient time to design and evaluate alterations (including consultation with residents and advice agencies) to the current scheme or design a different scheme for implementation by April 2026.
- 3.4 With regards to amending our existing Section 13a Council Tax Discretionary Reductions Policy, the council could:
 - a) Implement the proposed change which makes terminally ill residents struggling financially its own 'class of reduction
 - b) Keep the policy in its current form with this being covered in section 7 as an example of exceptional circumstances
 - c) Remove any or all classes of discount and just leave 'exceptional circumstances' as the sole means anyone can apply for a discretionary reduction from council tax
- 3.5 It is proposed that Camden goes for option A as whilst the existing policy covers awarding a discretionary reduction already, its lack of prominence could result in vulnerable residents not applying for support and struggling financially once diagnosed as terminally ill. There is no tangible evidence regarding potential volumes of cases that may come forward for support as a result of the discount being more prominent but any potential increased cost of the discretionary reductions to the council would be minimal and for good cause. By making it more prominent it may allow Camden to address recent reports which claim that 28% of working age and 20% of pension age terminally ill residents in Camden die in poverty.

4. WHAT ARE THE KEY IMPACTS / RISKS? HOW WILL THEY BE ADDRESSED?

- 4.1. The award of CTS relieves some financial pressures on the poorest residents. The Council ensures the web page and online forms make claiming CTS as simple as possible and also implemented auto enrolment last year for those residents claiming Universal Credit where they notified Department of Work and Pensions (DWP) on the claim they either claimed CTS already or intended to. The Council also uses every opportunity to promote the scheme to residents and increase take up.
- 4.2. The cost of the CTS Scheme has remained high due to a fairly static caseload and a greater proportion of claimants entitled to 100% compared to the pre 2020 scheme. The implementation of the automatic enrolling as a result of Universal Credit applications has not seen numbers of cases increase and merely appears to have prevented residents having to manually apply directly.

This is likely because of the level of signposting the Council has always done to residents to claim under the scheme historically. However, to prevent assumptions that residents are always aware of the scheme, Camden does not rest on its laurels and always looks at ways of improving engagement and awareness including embracing data the council holds to look to engage with households we believe may be eligible but are not claiming for various reasons.

- 4.3. With increasing numbers of households in Camden in poverty because of ongoing the cost of living issues, uprating the bands in our scheme to align with London Living Wage (LLW) ensures households seeing pay rises as a result of employers committing to the LLW scheme are not penalised through falling into less supportive bands in the CTS scheme. This approach may also mitigate the risk around low income households whose employers don't embrace the LLW uplifts annually seeing their income fall in real terms compared to others as it could potentially see some affected fall into more supportive bands – therefore by reducing the amount of council tax payable they will have more disposable income to offset not seeing the pay rises other residents may benefit from.
- 4.4. In addition, the cost of the scheme will naturally increase in line with increases in Council Tax liability which has risen by the maximum permitted before referendum consistently for a number of years. The cost of the CTS scheme is factored into the annual Council Tax setting process and annual budget setting process too. There is always a real risk that the cost of the scheme will exceed estimates, particularly as Camden proactively attempts to get eligible households to maximise their income by applying. However, Camden's prudent budget setting process ensures contingency in the event of higher costs than anticipated to prevent it causing wider council budget issues.
- 4.5. The change to make the discretionary council tax discount for terminally ill residents who are experiencing financial difficulty will hopefully make Camden's commitment to supporting residents going through extremely challenging times more prominent. Our existing policy already supported this group but its lack of prominence, compared to other discount classes in the policy may have inadvertently resulted in lower awareness and take up by residents. Whilst the cost of supporting the awards could rise, it is an anticipated existing cost due to having been cited as an exceptional circumstance under section 7 of the existing policy anyway and the aim of the change is around improving transparency to aid take up from those entitled to additional support.

5. CONSULTATION/ENGAGEMENT

- 5.1. As the only updates that are being made to the Council Tax Support scheme reflect our schemes commitment to increase the bands to align with annual increases in the London Living Wage, no consultation is required. The scheme adopted in 2020 set out Camden's eligibility criteria for our scheme for working age residents, how income and capital is assessed and set out the household income bands that determine the level of support available. A key element of

the scheme adopted was to uplift the income bands annually in line with the agreed London Living Wage. As a result, the uplift of the bands proposed is in line with the existing scheme rather than a change to the scheme itself.

- 5.2. An Equalities Impact Assessment (EIA) has been undertaken for the minor change to increase the income bands to align to the newly announced London Living Wage (appendix C) in our Council Tax Support Scheme. The change to the scheme will solely have positive implications for our eligible residents. Increasing the London Living Wage thresholds for 2026/27 in determining eligibility for a Council Tax Reduction and the subsequent amount of the reduction, for working age claimants would have no adverse effects. As the pension age scheme is statutory (set by central government) there are no changes in our scheme covering / affecting pension age claimants.
- 5.3. There is no legal requirement to consult residents on the proposed additional discretionary reduction class being added to our policy. In addition, there is no fundamental change as terminally ill residents in financial hardship could previously apply under the 'exceptional circumstances' section 7 of the policy and this has just been amended to make it an outright clear class of discretionary reduction instead going forward.
- 5.4. An Equalities Impact Assessment (EIA) has been undertaken regarding the amendment to our discretionary reductions policy to move the discount for terminally ill residents in hardship from 'exceptional circumstances' to its own discount class (appendix E) too. Whilst the change to the policy document has no changes to eligibility criteria it should have a positive impact for potentially eligible residents as it will make it more prominent. This should hopefully lead to more signposting by third parties such as GP's, specialists; hospices; etc.

6. LEGAL IMPLICATIONS

- 6.1 There is a statutory obligation on the Council to have a Council Tax Support scheme. For each financial year, the Council must consider whether to revise or replace its scheme and any revision or replacement must be made by 11 March in the preceding financial year to that which it is to take effect. The statutory requirement to consult applies to the Council when revising or replacing the scheme. There is however no statutory obligation to consult when the Council is not either revising or replacing the scheme but merely maintaining the scheme that has already been decided upon.
- 6.2 The Department for Communities and Local Government (DCLG) guidance "Localising Support for Council Tax: Vulnerable people- key local authority duties (February 2014)" outlines the duties local authorities need to consider in relation to vulnerable groups in designing their schemes (other than those of state credit pension age who receive statutory protection). The duties have changed since the guidance was written and the summary below takes account of these amendments:

a) the public sector Equality Duty (The Equality Act 2010). The need for the local authorities to consciously consider this duty as an integral part of the decision-making process and ensure it has sufficient information

to do so is reiterated as is the need to take into account disabled people's disabilities when making decisions about policies or services and the impact of their schemes on disabled people. This is a continuing duty.

b) the duty to mitigate effects of child poverty (The Child Poverty Act 2010). The relevant provisions were repealed by the Welfare Reform and Work Act 2016 in May 2016 and the Act renamed the Life Chances Act 2010 and replaced with a new duty on the Secretary of State to report levels of educational attainment and worklessness. However, it is noted the guidance also referred to the fact that authorities may wish to use their scheme to help encourage separated parents to make child maintenance arrangements and maximising the money reaching children for example by fully disregarding child maintenance when assessing eligibility.

c) The duty to prevent homelessness (The Housing Act 1996). Authorities will want to consider how information about their scheme is made available to homeless households once they are secured accommodation and when taking into the equality duty, have regard to vulnerable individuals for whom it secures accommodation, or who are at risk of becoming homeless- for example, young people or individuals suffering from mental illness.

- 6.3 Section 13 A of the Local Government Finance Act 1992 gives the Council the power to reduce liability for Council Tax in relation to individual cases or class(es) of cases that it may determine and where national discounts and exemptions cannot be applied. Section 13 A(1)(c) states that the amount of council tax which a person is liable to pay in respect of any chargeable dwelling and any day in any case, may be reduced to such extent (or, if the amount has been reduced to any extent required by the authorities Council Tax Reduction Scheme, such further extent) as the billing authority for the area in which the dwelling is situated thinks
- 6.4 The power under subsection Section 13A(1) (c) above includes the power to reduce an amount charged for Council Tax to nil. and may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced to an extent provided by the determination. This report introduces a new class, namely where a resident is terminally ill and can demonstrate the household is experiencing financial hardship.
- 6.5 The addition of the new class in the scheme does not remove the ability for any individual or organisations apply to the Council under the above provisions for a reduction in Council Tax on the grounds of financial hardship or exceptional personal circumstances on an individual case by case basis. This means the Council continues to demonstrate it is not fettering its discretion by applying a blanket approach or restrictive criteria.
- 6.6 The public sector equality duty is a continuing duty and Cabinet Members must take into account in coming to any decision the Council's equality duties. In summary these legal obligations require the Council, when exercising its functions, to have 'due regard' to the need to 1. Eliminate discrimination, harassment, victimisation, and other conduct prohibited under the Act; 2 to

advance equality of opportunity between people who share a relevant protected characteristic and those who do not; 3. Foster good relations between people who share a relevant protected characteristic and those who do not (which involves tackling prejudice and promoting understanding). Under the Duty the relevant protected characteristics are Age, Disability, Gender reassignment, Pregnancy and maternity, Race, Religion or belief, Sex, Sexual orientation. In respect of the first aim only i.e. reducing discrimination, etc. the protected characteristic of marriage and civil partnership is also relevant. In this case, for this decision there is no fundamental change to the Working Age scheme being proposed so there are no impacts to consider.

7. RESOURCE IMPLICATIONS

- 7.1. In 2025/26 the scheme was initially estimated to reduce Council Tax liability by around £32.7m. As stated in the report it is difficult to accurately estimate the number of people who will qualify for the Council Tax Support Scheme in the future but the actual cost of the scheme in 2025/26 is currently on track to potentially cost Camden c£34.5m.
- 7.2. The full cost of CTS in 2025/26 will depend on the number of claims made by local residents and the level of Council Tax levied. As shown in paragraph 2.2 of the report eligibility of the scheme is driven by the London Living Wage (LLW). The LLW has increased by 6.86% compared to the previous year's figure and may have the effect of making more households in the borough eligible for the CTS scheme if actual wage rises for our residents do not match the increase in LLW.
- 7.3. There is a risk that the cost of the scheme will be higher than the current estimates due to national economic uncertainty which could result in rises in unemployment, etc.
- 7.4. The cost of the scheme is estimated each year and the estimates used to set the Council's budget. Over the past four years the estimated cost of the scheme has increased. This due to multiple factors including the increases in the Council Tax charge itself, movement in the number of people who are eligible for full or partial support and our commitment to uprating the bands to the new London Living Wage figures annually.
- 7.5. There remains a significant level of debt from non-payment of Council Tax, with close to £31.94m of unpaid Council Tax for previous fiscal years outstanding at the end of 2024/25. Where appropriate the Council will continue to attempt to recover Council Tax debts owed but holds a bad debt provision to manage the risk of non-payment. The non-payment of Council Tax that is due reduces the level of resources available to the Council to fund services.
- 7.6. As stated in the report it is difficult to accurately estimate the potential future financial impact of the decision to increase the visibility of terminally ill residents experiencing financial hardship being able to apply for a discretionary council tax reduction by making it a clear discount class rather than an example of exceptional circumstances only. However, given this group were already considered in the existing policy we expected the

numbers of claimants annually will likely to be minimal and will be met by the general fund.

8. ENVIRONMENTAL IMPLICATIONS

- 8.1 There are no environmental implications related to these proposals.

9. TIMETABLE FOR IMPLEMENTATION

- 9.1 Subject to the approval of the Council Tax Support scheme by Full Council on 19 January 2026, the Council Tax Support scheme for 2025/26 will go live on the 1st April 2026.
- 9.2 Subject to the approval of the new class of reduction under our Section 13A Council Tax Discretionary Reductions Policy by Full Council on 19 January 2026, the policy will go live from 1 February 2026. However, in real terms, there is no change as terminally ill residents experiencing financial hardship would be eligible for support under our existing 'exceptional circumstances' section 7 of the existing policy.

10. APPENDICES

- A – CTS Claimants By Ward
- B – Council Tax Reduction Scheme 2026/27
- C – CTS scheme Equality Impact Assessment
- D – Council Tax Discretionary Reductions Policy
- E – CTS Discretionary Reductions Policy Equality Impact Assessment

REPORT ENDS