



**Low Incomes
Tax Reform
Group.**

A voice for the unrepresented

3 September 2025

Modernising and improving the administration of council tax

By email council.tax@communities.gov.uk.

Dear Sir or Madam,

Modernising and improving the administration of council tax – response from the Low Incomes Tax Reform Group (LITRG)

I am writing on behalf of LITRG in connection with the recent consultation. LITRG is part of the Chartered Institute of Taxation (CIOT), an educational tax charity. We are a group of pay and tax experts – you can read more ‘About us’ at the end of this letter. Among other things, we provide guidance to workers, including apprentices and care workers, to help them navigate the UK tax and employment systems.

As an educational tax charity, we do not provide casework support on council tax matters. However we have particular insight and expertise on the work arrangements of apprentices and care workers that we can share and that when taken together, will hopefully provide useful input to the following consultation questions:

Question 15: What are your views on the disregards set out for carers and apprentices?

Question 16: Do you believe the current eligibility criteria for apprentices and/or carers is appropriate?

Care workers

The 1992 Council Tax (Additional Provisions for Discount Disregards) Regulations¹ provides two classes of disregard for those who provide care or support. These are designed to ensure that someone does not lose their single person discount if they require a carer to live with them.

The second category of carer disregard (for unpaid/relative carers) appears very helpful. However, the first category intended to cover professional live-in carers seems questionable in terms of its

¹ <https://www.legislation.gov.uk/ukxi/1992/552/schedule/made>

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present-day usefulness, given the low remuneration threshold of £44 a week and minimum time commitment of 24 hours per week.

We assume the disregard was partly intended to account for scenarios in which live-in professional care workers, facilitated by charities, supported elderly or disabled individuals in their own homes on an employed basis.

However, even prior to the *Mencap v Tomlinson-Blake* case², when it was common practice for such carers to receive only a nominal flat rate for ‘listening ear’ work, it was unlikely that they would meet the relevant earnings thresholds. This also raises questions about the practical relevance of the disregard under its original assumptions, potentially rendering it obsolete in many cases.

That said, the landscape of care provision has changed significantly. There is now a substantial (and growing – given an aging population) market for significantly remunerated live-in care arrangements, particularly facilitated by direct payments and commercial introductory agencies, rather than by traditional charity or local authority models.

It is likely that this shift has resulted in widespread inadvertent non-compliance. The idea that a live-in carer could be considered a resident for council tax purposes — thereby affecting single person discounts — is not necessarily intuitive. Yet, without the protection of a disregard, someone receiving long-term live-in care could lose their single person discount if the care worker does not maintain council tax liability at another property.

To regularise this position, particularly where the policy intention is to support elderly or disabled individuals to remain in their own homes, we think the care worker disregard should potentially be retained. This is especially important if other disregard categories do not adequately capture these modern live-in care arrangements. However, we also believe there is value in reviewing and updating the professional carer disregard to ensure it aligns with contemporary models of care and employment practices.

To support consistent application across England, updated guidance and national messaging should be issued to local authorities. This should clearly differentiate this professional care worker category from the separate disregard for unpaid/relative carers.

Apprentices

The Council Tax (Discounts Disregards) Order 1992³ provides a disregard for apprentices who earn less than £195 a week, set in 2006.

This disregard has the potential to provide valuable support to low-income and potentially vulnerable individuals in training. However the earnings limit is difficult to meet unless the apprentice is working part-time. This will be limiting the numbers of applicants, but so will a lack of awareness and the introduction of unnecessary administrative barriers.

² <https://www.supremecourt.uk/cases/uksc-2018-0160>

³ <https://www.legislation.gov.uk/uksi/1992/548/schedule/1>

For example;

- one council's page that we reviewed⁴ does not explain the significance of being an apprentice or its impact on council tax liability, which is unhelpful. It also seems to only have an online application process, potentially excluding certain groups
- another council's application form⁵ that we found, suggests that apprentices must obtain an employer declaration and an 'official stamp', despite this not being a statutory requirement and despite not all employers having a stamp. This can be confusing, especially when they are being asked to provide payslip evidence anyway, and may deter eligible individuals from applying.

We therefore support a re-evaluation of the apprentice disregard, including an uprating of the financial threshold to reflect modern National Minimum Wage (NMW) and National Living Wage (NLW) levels. However, we also believe the government should revisit the policy's core objective: whether it aims to support all apprentices or only younger, new entrants.

If the uprating is specifically linked to the NMW apprentice rate⁶, this will only support younger, new entrants. However, in our view, there is a strong case for supporting all apprentices. Apprenticeships today are used by a broad group — including adults re-entering the workforce or transitioning careers or those who are disadvantaged, needing a route into the labour market. It is perhaps unfair that two apprentices doing the same training – both with potential vulnerabilities – might be treated differently for council tax purposes just because one is paid slightly more (especially when they might also face higher costs). Keeping the disregard wider, would also make it much simpler for councils to define, administer and police.

In reviewing the policy, it is important to recognise ongoing concerns about misapplication of the NMW apprentice rate, underpayment of NMW and wider non-compliance with apprentice rights. Whether down to misunderstanding or deliberate misuse, some apprentices outside the official scope will still be receiving the apprentice rate and receiving lower income than they should. This undermines any attempt to target the disregard fairly.

For example, a query into our website reads:

“My daughter (who [has a disability]) started her apprenticeship with an [employer]. She recently asked her employer why she is still on the apprentice rate, even though she is now 19 and completed over a year. The employer claimed the higher rate only applies once academic units are completed. We've found no guidance supporting this. Can you advise?”

Such issues are not isolated. HMRC's latest NMW enforcement bulletin⁷ provides further evidence of widespread underpayment and confusion surrounding apprentice entitlements.

⁴ <https://www.spelthorne.gov.uk/article/17221/Single-occupier-discount-and-other-disregards>

⁵ <https://www.broxbourne.gov.uk/downloads/file/1545/apprentice-youth-training-discount>

⁶ <https://www.gov.uk/national-minimum-wage-rates>

⁷ <https://assets.publishing.service.gov.uk/media/683871905150d70c85aaf1/educational-bulletin-round-21-national-minimum-wage-naming-scheme.pdf>

In summary, if this disregard is to provide meaningful and equitable support, it must be updated, clarified, and actively promoted to ensure those who qualify can actually benefit. In addition, to ensure that the disregard — and others like it — achieve their intended purpose, consideration should be given to simplifying administrative processes for applicants.

We are happy to expand on any of these points in more detail if that would be helpful.

I would be grateful if you could please confirm receipt of this letter – and LITRG would be happy to be listed as a respondent to the consultation.

Kind regards

Meredith McCammond

About us

The LITRG is an initiative of the Chartered Institute of Taxation (CIOT) to give a voice to the unrepresented. Since 1998, LITRG has been working to improve the policy and processes of the tax, tax credits and associated welfare systems for the benefit of those who are least able to pay for professional advice. We also produce free information, primarily via our website www.litrg.org.uk, to help make a difference to people's understanding of the tax system, including lower paid workers like carers and apprentices.