

Unpaid council tax surges to record high of £6.6bn as 1.8m Brits fall behind - shock new report

Council tax arrears have surged to a record high of £6.6 billion – an over 80 per cent increase since before the pandemic

New data reveals 400,000 more households fell into council tax arrears between 2022 and 2024 – with 1.8m Brits now in arrears

Households in council tax debt more likely to be facing ill health, bereavement or job loss

New data released today shows council tax arrears have surged past £6.5 billion, a new record high and an increase of more than 80 per cent since before the pandemic. New analysis by the Centre for Social Justice (CSJ) reveals nearly 1.8 million adults are now in council tax arrears, with a significant majority facing serious personal and financial challenges.

The news comes in the shadow of the recent Spending Review and warnings from the Institute of Fiscal Studies that council tax is set to rise at its fastest rate for 20 years. Many councils are planning annual increases of up to 5 per cent to address funding shortfalls, despite a Government pledge not to increase taxes on “working people”. In its new report, *Vital Signs: Measuring vulnerability in Council Tax Collection*, supported by debt collection company Lowell, the CSJ finds that:

- 97 per cent of those in council tax arrears exhibit at least one sign of personal vulnerability (compared to 47 per cent of the general population).
- People in council tax arrears are three times more likely to be in poor health.
- They are twice as likely to have experienced negative life events such as job loss, bereavement or relationship breakdown.
- Those who fall behind on council tax report experiencing negative impact on their mental health (54 per cent), threats of legal action (39 per cent), aggressive collection practices (24 per cent) and strain on relationships with family and friends (24 per cent).

The report also finds that the average amount of council tax debt held by those seeking advice from debt charities has more than doubled in a decade, from £756 in 2013 to £1,726 in 2023.

Matthew Greenwood, Head of Debt at the Centre for Social Justice, said:

“With local government on its knees and council tax arrears at record highs, those people who don’t pay their council tax even though they have the money should face the full force of the law. But our report shows that the vast majority of those in arrears are not refusing to pay – they’re simply unable to, often due to poor health, job loss or other negative life shocks.

“Under the current rules, missing just one payment can make someone liable for the entire year’s bill within weeks, triggering bailiff action and, in some cases, threat of imprisonment. It’s an outdated, punitive system that fails to distinguish between those who won’t pay and those who genuinely can’t.

“The Government must now deliver on its pledge to end the unfairness in council tax collection and help put millions on a path to repaying their bills.”

John Pears, UK CEO at Lowell, said:

"This report highlights what we at Lowell have seen for some time. Many people struggling with council tax debt are also dealing with complex, often hidden, personal challenges. The current system doesn't always allow for these realities. It can make it harder for people to get back on their feet.

"The Government's recent commitment to reform bailiff oversight is a welcome first step, but the work doesn't stop there. Meaningful change is desperately needed to protect the most vulnerable.

"It's not going to be easy, and councils can't do it alone. That's why we're working with the CSJ, councils, MPs and debt charities to drive reform, bring standards up across the country and build a system that works for bill payers and councils alike."

Today's report comes alongside a Government announcement that it will reform the way council tax is collected. The Ministry of Justice also confirmed that the Enforcement Conduct Board – a voluntary oversight body for the bailiff industry set up by the CSJ – will be put on a statutory footing.

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Notes to Editors:

Click [here](#) to read Vital Signs.

- Council tax arrears figures are released annually by the Ministry of Housing, Communities, and Local Government. See Graph below. See: *Ministry of Housing, Communities and Local Government: [Collection rates for Council Tax and non-domestic rates in England, 2024 to 2025 – Table 7](#)*.
- The number of households behind in their council tax is calculated using Wave 14 of the UK Household Longitudinal Survey (Understanding Society). It is a large household survey run by the University of Essex and supported by the European Social Research Council. Wave 14 is the latest wave and covers 2022 – 2024. See: [Understanding Society](#).
- The number of households in the UK is taken from Office for National Statistics, [Families and Households in the UK: 2023](#).
- The government announced a new consultation on reforming enforcement on 9th June 2025. See: *Ministry of Justice, [Regulation of the debt enforcement sector](#)*.

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