

Modernising & improving the administration of council tax

Citizens Advice
Consultation Response



September 2025

Introduction

Citizens Advice provides free, confidential and independent advice to help people overcome their problems. We have a network of 240 independent local Citizens Advice charities across England and Wales, who provide independent advice across a whole range of areas, from benefits to housing, and immigration to debt.

Last year we helped more than 165,000 people with a council tax issue in England. This includes around 80,000 people who needed help with council tax arrears, alongside over 90,000 people who we helped with a council tax reduction.

The data gathered from these interactions gives us a rich understanding of the issues people encounter when it comes to the administration and enforcement of council tax. We also see significant variation in practices within different areas, resulting in a complex postcode lottery when it comes to the way individuals are treated and the support available to them.

We have been drawing attention to problems with council tax debt enforcement for a number of years. People who are already struggling often face harsh practices that make their debt problems worse rather than helping them get back on their feet. This includes rapidly escalating and spiralling debt, with people becoming liable for their full annual council tax bill just 7 days after a reminder notice. We also see people facing high fees for liability orders which results in debt heaped on top of debt, making it harder for people to pay their arrears.

We're therefore pleased to see both of these issues within the focus of this consultation on modernising and improving council tax. Alongside extending the time period before full liability applies and capping liability orders, the Government should:

- Provide greater flexibility for people to arrange repayment plans that are genuinely affordable.

- Uprate the income thresholds for attachment of earnings, to ensure that people aren't being plunged into further hardship when repaying their council tax arrears.
- Take action to reduce the use of bailiffs, including exempting households in receipt of Council Tax Support from this enforcement approach.
- Introduce a statutory pre-action protocol which sets out steps councils are required to follow before making an application for a liability order, to embed consistent support across the county.
- Abolish the power to commit people to prison for non-payment of council tax in England.
- Reduce the postcode lottery in Council Tax Support, by removing minimum payments and band caps.

This document summarises our response to the [consultation](#) on Modernising and improving the administration of council tax and gives an overview of the frontline issues we see in relation to council tax in England.

Our response is informed by:

- Data from our local Citizens Advice offices across England. This includes anonymised case notes, evidence forms and income and expenditure assessments, and the number of clients we help for different issues.
- A survey of 120 local Citizens Advice debt advisers, undertaken in July and August 2025.
- Evidence gathered from focus groups with our local advisers, held in July 2025.

Overview of council tax issues in England

In 2024 Citizens Advice helped more than 165,000 people with a council tax issue in England. So far this year (up until 31st August 2025), we have helped 119,000 people with council tax. This includes around 65,000 people who have sought help with Council Tax Support and 57,000 people who we have helped with council tax arrears.

Council tax arrears was the second most common debt issue we helped people with last year, after energy arrears. Some groups are disproportionately affected by this type of debt. In 2024, almost half (49%) of people who came to Citizens Advice in England for help with council tax arrears were disabled or had a long term health condition.

We are also finding that people have increasing amounts of council tax debt. Last year our clients had on average £1550 in council tax arrears. This is an increase of 37% since 2019 (when the average was £1130).

Whilst the average amount of debt is going up, the increasing cost of living is making it hard for people to afford their household bills, including council tax. In 2024 almost half (49%) of our clients with council tax arrears were in a negative budget - where someone's expenditure exceeds their income. This has steeply risen from 37% in 2019. And in 2024-25, 42% of the people who came in for help with council tax, were also helped with crisis support, including food bank referrals.

Despite the affordability challenges facing residents, people struggling with council tax debt face harsh enforcement practices that often treat people as though they are choosing not to pay, when many simply can't afford to. When we surveyed our advisers, less than 3 in 10 (28%) had a positive experience of dealing with the local council when supporting clients who have fallen behind on council tax payments. Over half (53%) said the experience varies, whilst nearly 1 in 5 (19%) had a negative experience.

The difference in local experiences is one of the key themes we see across the country. In some areas we see examples of good practice, with councils who take proactive steps to support people facing financial difficulty. But this is far from the norm. In other areas we see people being faced with inflexibility and sharp enforcement practices that are inappropriate for their circumstances.

But it shouldn't be the case that the support residents receive when they're struggling to pay their council tax varies so widely based on where they live. As a result, we're calling on the government to introduce a statutory pre-action protocol to drive up consistency across the county. This would set out clear steps that councils must take before issuing a liability order or instructing bailiffs, to ensure that steps have been taken to support people who may be struggling to pay their arrears.

Other common issues that our clients and advisers encounter with council tax support and enforcement include:

1. People face rapidly escalating debt because of the short timeframe before full liability applies. Under current rules, people are given just 7 days after a reminder notice to pay their arrears before they become liable for their full annual bill and lose their right to pay in instalments. But this is not enough time for people to repay. As a result, households are plunged into debt, owing the remaining annual bill when many can't afford the monthly payment. We are calling for the government to extend this period to 90 days to give people much needed time to get back on track or get the support they need.

2. Additional fees and charges are seeing debt heaped on top of debt, making it harder for people to pay back their arrears. People face additional costs at multiple stages in the enforcement process, including where councils apply for a liability order or instruct enforcement agents. This adds to the burden of debt repayment, only making it harder for people to pay their arrears. And many people are facing these additional costs even when they are trying to come to an agreement with their council to repay, with many councils refusing to put in place a repayment plan until a liability order is in place.

We support the government's proposal to introduce a cap on liability fees. These should be set at the lowest possible level, and the government must also take steps to reduce the number of cases subject to additional costs.

3. Rigid approaches to repayment plans are leaving people facing impossible situations. We frequently hear from people who have been unable to agree an affordable repayment plan with their council or enforcement agents, often as a result of rigid collection practices where councils are seeking to recoup the arrears within the financial year. This can leave people stuck facing repeated visits from enforcement agents where they simply don't have the means to repay.

The government must ensure that people have greater flexibility to repay, with councils required to arrange repayment plans based on an affordability assessment using the Standard Financial Statement.

4. Councils are quick to use bailiffs, causing distress and resulting in more fees being added to debts. We consistently help high numbers of people in council tax arrears with issues with bailiffs. Last year 20,000 people came to Citizens Advice in England for help with bailiff enforcement, and so far this year we have helped around 14,000 people with this issue. Over half of our surveyed advisers (52%) report that often or very often the debt is passed to enforcement agents whilst the person is trying to come to an agreement with their council, emphasising the need for people to have more time before more invasive recovery actions are used.

Concerningly, we find people in vulnerable circumstances are often being referred by councils to bailiffs. So far in 2025, 48% of clients who have come to Citizens Advice for help with bailiffs have a disability or long-term health condition, and 28% are single people with children.

Our advisers report frequent bad behaviour from bailiffs, which causes additional stress and harm. Additionally, once bailiffs are involved, it can be even harder for people to resolve their issue, with additional costs added to their debt, and refusals from bailiffs to offer affordable repayment plans. 72% of our

surveyed advisers say that often or very often enforcement agents refuse the client's offer of an affordable repayment plan.

This is a huge issue for people who simply cannot afford to pay. Too often we see people with bailiffs at their door who either should be in receipt of Council Tax Support but were not aware of it, had a change to the level of support they are entitled to, or who receive lower levels of Council Tax Support. These households are then hit with additional fees and distress from bailiff action, despite being financially vulnerable.

It's critical that the government takes action to drive down the use of bailiffs, and exempts people in receipt of Council Tax Support from this enforcement action.

5. The postcode lottery in Council Tax Support creates unequal reductions in council tax bills. Despite Council Tax Support schemes being available across the UK, the level of support available varies depending on local authorities, which have considerable flexibility in running their schemes. This means that the degree of help is based on where someone happens to live, rather than individual circumstances. This issue is covered in depth in the [report](#) we published last year. The arbitrary operation of these schemes is exacerbated by some councils using minimum payments and banded schemes, which can result in those on low incomes paying disproportionately high council tax.

Just under 70% of local authorities have a minimum payment. This means that, unless a specific exemption applies, everyone is required to pay at least some council tax. The authorities are free to set minimum payments at any level, and in [29 authorities](#) that means a minimum of 30% being payable regardless of financial circumstances. Our [research](#) shows that claimants in areas with minimum payments are 57% more likely to be in a council house debt. In 2024, our debt clients receiving support under a reduction scheme bills had on average around £1500 council tax debt.

“It just seems crazy that someone who exists on £70 a week is being expected to pay £20 a month. You can see how people sitting around a policy table think ‘It's only £20’. But it really negates the reality of what it's like for people at the end of the month. Their UC runs out two and a half

weeks into the month. They're not going to be able to pay £20." - Citizens Advice adviser

Around one third of local authorities operate a banded CTS scheme, whereby a valuation band determines how much council tax you pay. The cheapest properties are in Band A, and the most expensive are in Band H. A band cap limits the support that people can get based on that valuation. This means people living in properties with the highest council tax would be offered the least support.

Council tax bands are based on property values from 1991, which means they are not always an accurate reflection of the price of the property, nor the affluence of people living in it. Housing shortages mean that people on low income cannot always swiftly move to a lower band property. According to our advisers, even some temporary accommodations might not be in the lowest band.

"We have such a housing shortage, that someone might have to take accommodation somewhere where the council tax banding is higher than is desirable because there aren't any other houses... you can't always control which band you're in because the bands are so out of date...and it's not like you can choose where you're going to live if you're short of housing." - Local Citizens Advice Chief Executive

The different rates of CTS, combined with the unfairness of minimum payments and banded schemes, means that people with the same needs receive different levels of support. For example, [last year](#) we compared what a fictional couple receiving UC would have to pay for their council tax. Looking at just 3 local authority areas we found that, depending on where they lived, their bill would vary from £0 to £1,003.17. Additionally, local authorities under the biggest financial strain might be the least incentivised to run generous schemes. In effect, people who live in the poorest area might also be less likely to access sufficient support.

We're calling for the government to reduce the postcode lottery in Council Tax Support, by:

- Removing minimum payments where possible so that those on the lowest incomes are protected from council tax debt. Minimum payments are associated with higher levels of debt and should be avoided or kept as low as possible.
- Removing band caps so people aren't penalised by an outdated system. Council tax bands aren't always a good indicator of people's ability to pay council tax. Without significant reform, they are not an effective way to target support to those most in need.

These changes would help to ensure that fewer people fall into arrears.

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Changes to council tax billing

Question 1: The government intends to change the default bill instalments from 10 months to 12 months. Do you agree with this approach? Why/why not?

We welcome this proposal. This is a sensible change that will bring payment of council tax into alignment with other bills.

Question 2: If the government were to move to 12-month instalments by default, should taxpayers be able to request to pay in 10-monthly payments?

We expect most people will choose to pay their council tax in 12 monthly instalments, as this will allow them to spread the costs more equally across the year. However, there may be some circumstances where people use the two month “break” in council tax payments to pay other expenses, and so retaining choice and flexibility will be helpful to meet the needs of different households.

As the default is currently 10 monthly payments it is important that councils communicate clearly about any change. This would avoid the risk of people accidentally falling into arrears because they didn’t expect to make payment in two months of the year. This risk is likely to be higher for people who don’t pay for their council tax via a direct debit, where payment relies on them knowing they need to take action.

Making council tax information more transparent

Question 6: Do you feel you have a good understanding of the support offered by your council and how to claim this? How might this be improved?

Awareness of the scheme

In 2024 we helped around 90,000 people with matters relating to Council Tax Reduction.

Many clients who come to us with unrelated debt or benefits issues are unaware they can claim Council Tax Support. Some of them assume this would be automatically attached to Universal Credit (UC) and others think it would be applied by a housing association. This is not an ungrounded assumption, as some people migrating to UC from legacy benefits have previously had Council Tax Support included in their housing benefit. Some people coming for help have been paying council tax in full, despite being on very low incomes, because of the reduction not being advertised or communicated to them.

Saba's Story

Saba* has been unable to work for two years due to poor health. She had a monthly deficit of £185 and her UC is reduced because of the advance payment deductions. She came to Citizens Advice to ask for a foodbank voucher and inquire about her benefits entitlement. Her council tax was £135 per month at the time and she was up to date with payments. Our adviser alerted her that she would likely be eligible for a reduction. They estimated that Saba could save around £30 per week (£120 per month) and made an appointment to help her with filling up her application.

Our advisers report that some people regularly see their work coaches who fail to mention that some support might be available. People are also not signposted to it through UC documents and forms. Some of our clients actively asked about what support might be available, but were not being given the

information. Many of these claimants are in vulnerable circumstances and struggle to research or access council tax support information themselves.

"Many clients have been under the misapprehension that Council Tax Support is part of Universal Credit. There is very little, if any, notification from local authorities or DWP that this is the case, so the support money goes unclaimed." - Citizens Advice adviser

When asked of the barriers clients face in access council tax discounts or reductions, 90% of our surveyed advisers said clients don't know that they are eligible for a discount. 83% of advisers reported that clients thought the discount would be applied automatically, without the need to apply separately.

Our data also indicates that often councils' teams are not well-coordinated. For example, one of our clients received a letter from their council's housing department asking whether the council flat she'd moved into 11 months earlier was occupied. After her reply, she received a council tax bill for over £2,000, which she cannot pay. During her time living in the property and claiming Universal Credit, she was not informed about the 1) council tax liability, and 2) eligibility for Council Tax Support. Another claimant had some aids installed by the council for her disabled daughter. She was not aware of her local reduction scheme, and she assumed that because the council knew about her difficult situation, she would be alerted to any relief.

On the local level, awareness of local schemes could be improved by councils:

- Advertising through leaflets in jobcentres and foodbanks.
- Attaching information about the scheme on council tax bills.
- Signposting people using other services targeted at low income households, and
- Providing clear information on the council's website, accessible also through telephone and in person.

The Department of Work and Pensions (DWP) could improve awareness of local schemes by:

- Training Jobcentre staff on the local scheme.
- Routinely and proactively helping claimants to assess eligibility.

- Publishing information on the local scheme, and information on how to claim it, on Universal Credit documents such as managed migration notices.

There should be better coordination between local authorities and the DWP. For example, subject to claimant's approval, applications for support could be semi-automated (based on Universal Credit data).

Our advisers also reported issues where people have fluctuating income, as they can fall in and out of Council Tax Support eligibility, resulting in them having to reapply for support or accidentally falling into liability.

Issues with claiming the support

Many people come to us because they require help with filling in the application for support with their council tax. In many local councils, the only way to apply for a reduction is through an online form, which might be difficult to navigate for those with little digital fluency, a lack of access to digital devices or the internet, or for whom English is an additional language. 92% of the surveyed Citizens Advice advisers reported that the need for support in filling in the application form is a barrier to accessing council tax discounts or reductions.

Our advisers report that people struggle to reach their local authorities when seeking to gain information on the scheme or clarify whether any reduction is already applied. One of our advisers supported a client who struggled with using online enquiry forms. They tried calling the council together, and all recorded messages advised them to go online and then cut off. There appeared to be no option to speak to anyone directly. Many of the schemes are digital by design and occasionally leave the most vulnerable without information or support.

Some people also report banding in new-build houses not being confirmed for months, making it difficult for them to budget or plan without knowing how much council tax they will be expected to pay.

Question 7: What further information, if any, do you think would be helpful to see on this support? How should this be presented?

The answer to this question is covered in question 6.

Modernising council tax disregards

Question 8: Do you agree with the proposed new name and definition of the disregard, as set out above? Why/Why not?

We agree with the rationale for changing the language of the Severely Mentally Impaired (SMI) disregard, and agree that the current name of the disregard can prevent people from accessing the support. When deciding the new name for this disregard, MHCLG should engage with specialist organisations, to ensure the final name is both clear and acceptable to people who the disregard is intended to support.

Question 9: What are your views on whether the proposed definition is consistent with the existing eligibility for the disregard? [Local authorities and other interested parties]

There may be some risk of confusion about who will and will not be eligible for the disregard. We encourage the government to provide greater detail in guidance to ensure that the scope of the disregard is well understood and applied consistently across local councils. The government should also test the wording with medical practitioners and specialist organisations to determine how well understood the definition is.

The word 'permanent' could be a barrier to some individuals accessing support where the long term impacts of an illness or injury are not yet known, but where under their current circumstances the disregard should apply. For example, where an individual has had a stroke. In the revised wording the phrasing is narrower, requiring a "permanent" condition or change, whereas the previous language required the condition to "appear to be permanent".

Question 11: Are you aware of any households facing barriers when accessing this support? Please describe. [Local Authorities and other interested parties]

It is not always clear to people that they need to apply for support separately, as they may believe that the support is automatically applied as part of the benefits process. This can result in people missing out on support, or inadvertently falling into arrears if they stop making payments because they mistakenly believe an exemption has been applied. This is exemplified in Jay's story below.

Jay's Story

Jay* was supported to apply for Personal Independent Payment (PIP) due to a serious medical issue affecting his mobility and communication. At his medical assessment, the assessor told him that if he got PIP he would no longer have to pay council tax, as he would qualify for the SMI disregard. The assessor failed to mention that Jay would have to apply for this disregard separately, so when Jay was awarded PIP he stopped paying his council tax. He later received a Court Summons for non-payment of his council tax.

This is an issue we see beyond just the SMI disregard. We also regularly see issues where people believed that discounts would be automatically applied where they are in receipt of benefits like Universal Credit. To overcome this issue we would encourage the government to explore how data sharing can be better used to automate support or streamline applications.

Question 12: What, if anything, do you think could put someone off applying for this support?

As identified in the consultation document, the present language used to describe the disregard may put people off applying for support. People may also be deterred from applying by the following:

- Not being made aware that the disregard exists.
- Difficulty understanding the form - we have heard from some people that the forms are difficult to complete, and that they have been unable to get help with their application from their local council.

- Concerns about how easy it will be to obtain medical evidence from a GP. This can be mitigated where local councils have processes in place to request this information on their behalf.
- Confusion about whether their illness or injury is covered by the definition.
- Being time poor, particularly as many people applying for the disregard may be doing so on behalf of a family member. This is where approaches to streamline the process with applications for other support would be beneficial.

Question 13: What do you think the government could do to improve access and accessibility to this disregard?

One way that the government could improve access to this disregard is through streamlining the application process. The application could be built into the assessment for other benefits that would qualify someone for the SMI disregard. For example, where someone is going through an assessment for PIP, consent could be sought to make a parallel application for the SMI disregard, using the same medical evidence. This would reduce the burden on applicants.

As identified in the consultation, there are also examples where councils will make contact with the applicant's GP surgery to seek the necessary evidence, rather than requiring the applicant to separately obtain a form from their council and evidence from their doctor. We would welcome this approach being adopted more widely, as this will again reduce the administrative burden on applicants.

Question 14: What are your views on a government provided (but not prescribed) form that councils and taxpayers could use to improve consistency of claiming the disregard in England? How should the government incentivise councils to use such a form?

We support the proposal to bring in a consistent form to support people to apply for the SMI disregard. As set out in previous answers, we encourage the

government to think about where these applications can be streamlined to reduce the burden on applicants.

If the proposal is taken forward, the government should bring this in as a requirement to ensure consistency across local areas. This may make it easier to raise awareness of the SMI disregard, as relevant organisations will be able to give clearer information about how to apply. Creating a consistent form would also better support people to access the disregard if they move into another council area.

The government must ensure that the form is accessible to all residents. For example, we are aware of some residents struggling to access council tax reductions or discounts because of issues accessing or navigating online forms. All local councils should have support in place to help people apply for the support they are eligible for, and should enable people to apply through a range of different channels.

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?

The number of eligible apprentices has fallen because of a failure to increase earnings threshold as changes to the minimum wage for apprentices have taken place. The rationale for having this support in place remains as apprentices under the age of 19 or in the first year of their apprenticeship are not entitled to the National Minimum Wage, and as a result face much lower income. The government should uprate the eligibility criteria for apprentices so that it aligns with the National Minimum Wage for apprentices, to ensure more apprentices can benefit from this support.

Going forward the government should also have a process for regularly uprating this support in line with changes to the National Minimum Wage for apprentices, to ensure that people do not fall out of eligibility over time.

Question 17: Are there any other disregards which should be considered in respect of certain cohorts who do not fall within the current disregards?

We recommend that the government creates a statutory disregard for care leavers up to their 25th birthday. This must allow for carers to move between areas and still retain eligibility for support.

Care leavers are currently exposed to a postcode lottery in support. In some areas they are disregarded from council tax up until their 25th birthday, while some councils provide this support until age 21. We also agree with the government's assessment that the current localised approach to support for care leavers can leave people without support if they move to another area. This issue not only leaves care leavers without support, but can also result in care leavers facing council tax liability issues due to confusion about their entitlement.

Wider issues

We also see wider issues caused by inconsistent localised support, when it comes to other forms of Council Tax Support. It is up to local authorities to decide which working age households are eligible for Council Tax Support, including what level of reduction they should receive, and how they should apply. This results in a postcode lottery in support where people receive different levels of support depending on where they live. This contrasts the position when Council Tax Benefit was still being delivered, which was administered by central government with consistent rules. Since Council Tax Benefit was replaced with Council Tax Support we have seen some groups receive lower levels of support, an issue that has only sharpened as councils have come under increasing financial pressure.

This has meant that we are seeing new people face council tax liability issues due to financial difficulties who would have previously been eligible for higher levels of support. To help address these issues we are calling for the government to:

- Remove minimum payments where possible so that those on the lowest incomes are protected from council tax debt. Minimum payments are

associated with higher levels of debt and should be avoided or kept as low as possible.

- Remove band caps so people aren't penalised by an outdated system. Council tax bands aren't always a good indicator of people's ability to pay council tax. Without significant reform, they are not an effective way to target support to those most in need.

Communicating council tax information

Question 19: What are your views on how information is currently provided by councils.

There are several areas where we think the communication of council tax information could be improved.

Council tax support

As set out in our response to Questions 6 and 7, many residents are not aware of the Council Tax Support that they are eligible for.

Whilst many councils hold information about this support online, the information can sometimes be unclear or hard to navigate. Further steps should be taken to raise awareness of Council Tax Support and disregards via other mediums, to ensure that people do not miss out where they face barriers to accessing digital information.

We also encourage the government and local authorities to consider how data can be used to ensure people get access to the support they are eligible for, for example using data matching to automate support where people are in receipt of Universal Credit or other benefits. Although caution will need to be applied when considering how people's eligibility can change over time, for example where people have fluctuating income.

We have also seen a number of issues where people have had a recent change in their council tax liability and have not been aware - resulting in them facing enforcement action. This suggests that more could be done to raise awareness of changes. This includes where someone's liability has changed as a result of revisions to the local support offer or following managed migration to Universal Credit. This might be supported by more personalised approaches to billing where people have been subject to a recent change in their liability.

Billing information

The current approach to billing can result in confusion for people who have council tax arrears that fall across multiple financial years. Typically they will receive letters for each financial year separately, but this can make it difficult for people to keep track of their overall liability. This includes which bills they are currently paying towards, and what is outstanding. As a result, we frequently see clients who become liable for new outstanding payments because they think that they are paying towards their current council tax bill, but the payment is only paying off arrears from a previous year.

"Clients get confused about the breakdown in council tax debts. They receive letters for council tax arrears from different years. For some years, repayment plans/Universal Credit deductions are in place, while for other years, they may receive liability order applications. Clients get confused as they are not sure why they still have council tax debts when repayments are in place." - Debt adviser, Adviser Survey

One way to address this is through improvements to communications. For example, councils could provide one uniform statement, that sets out the status of each liability and any repayment plan or collections approach in place, so that it's easier for people to understand which arrears they are currently paying towards. Steps could also be taken to improve collections processes that would reduce the risk of people accidentally defaulting on their ongoing liability but are making payments towards old liabilities. This could be resolved through prioritisation, ensuring that the current bill is prioritised first to reduce the risk of people falling into further arrears. We are aware that some councils already have approaches like this in place.

Information regarding arrears

Improvements could also be made to the way information is communicated when people fall behind on their council tax payments. In particular we would like to see much greater emphasis in these communications on where people can go for help and support, which is sometimes buried at the bottom of letters.

The tone of these communications could also be improved, to put greater emphasis on the support and repayment options that are available to help

people in financial difficulty. This may help to facilitate better engagement from people who are struggling to pay, in contrast to the current focus in billing letters on enforcement action which emphasises court action.

Providing personalised information and responding to information requests

In addition to providing general information, councils also have an important role to play in responding to individual queries. For example where people need help applying for Council Tax Support, understanding their bill, or arranging a repayment method when they have fallen behind on their bills. This is an area where we find some councils are currently falling short, with people in arrears struggling to get in contact with anyone at their local council, or facing substantial wait times for responses, as illustrated by Amber's experience shared below.

Amber's Story

Amber* received an outstanding bill for council tax. She had previously applied for Council Tax Support, and wanted to speak to someone at her council to check whether the bill was correct. She knew that she would not be able to pay the full balance within 7 days so also wanted to arrange a repayment plan. She made repeated phone calls to the number advertised on the council's website but couldn't get through to anyone. She also tried writing to the council tax department and showed up at the council offices in person, but no one was available to resolve her issue. Amber came to Citizens Advice for help after all of her attempts to contact the council had failed. During this time the council continued to send out reminder notices telling Amber she would have to go to court if she did not pay. This was causing Amber to become more and more worried despite her repeated attempts to resolve the issue.

When people struggle to get the information they need from their council, it can have a range of impacts. This includes worsening worry and stress, and escalating debt enforcement action, with even bailiffs at the door whilst they are left waiting for replies. Some people are also facing issues where the only options to contact their council are by electronic means, which may not be

accessible to them or appropriate to the situation they are in. Even where digital communication is possible, for people facing enforcement action speaking to a person can provide more reassurance and clarity.

It should be noted that this is an area where experiences vary considerably depending on the council being contacted. In some areas we see examples of good practice, for example where the council delivers face-to-face drop in clinics to help people with council tax queries. These can provide invaluable support to people who need additional assistance to navigate their council tax issue. But in many areas this kind of support is absent, and we see clients routinely facing issues reaching council staff by phone, making it harder for them to resolve their issues.

Question 20: What council tax information do you believe could be communicated digitally?

As set out in the previous answer, communications are currently unclear where people have multiple arrears. There may be ways that this information could be effectively communicated through online billing accounts. However councils will still need to ensure that there are effective communications in place to support people who may not be able to access this information online.

More commonly, we are encountering issues where people are unable to access information because councils predominately use digital communication methods. For example, we regularly encounter issues where people are unable to apply for Council Tax Support because the only option to apply is through an online form. We would therefore encourage the government to think more holistically about how local councils communicate, to ensure that there are adequate touchpoints for residents across a range of communication modes, including appropriate access via phone and in person. This is also important for ensuring that councils are providing reasonable adjustments for residents who may require an alternative method of communication.

Question 21: In relation to any suggestions in question 20, how could councils ensure this was accessible to all residents?

Where councils do decide to provide more information digitally, it is important that information remains accessible to all residents, including those who may be digitally excluded or who may need support. People should be able to quickly get in touch with their council where something goes wrong or where they have questions about the communications they have received. For example, we regularly hear from people who are confused about their council tax liability where they have received multiple bill statements, or where their liability has changed and they do not understand why.

As set out in our response to Question 20, whilst effective digital communications can play a role in supporting people to access council tax information, this should be part of a range of touchpoints available to people to ensure they can get timely information and advice. These wider touchpoints are often where we currently find support is lacking, with residents pushed towards digital channels that do not always enable them to resolve their issue. Below we have shared details from a range of cases where residents are struggling to communicate with their councils that has resulted in delays to resolving their issue and other harms.

“The client has repeatedly tried to call the council but the line cuts off and they are not able to speak to anyone. They did manage to speak to someone last month and were told that the case was being looked into but have heard nothing since. They are still receiving letters stating money owed.” (Evidence Form)

“The client has been contacted by bailiffs for council tax arrears. They contacted the bailiffs and offered to pay £100 per month but told us 'this offer was refused, the bailiff was abusive and put the phone down on me'. Following this, the client has attempted to contact their council to resolve the situation but has been unable to get through to someone, stating 'I just keep getting automated messages'. The client has also emailed the council but received a message stating it could take up to 10 days to receive a response. Without the

client being able to negotiate their debt with the bailiffs and being unable to speak to the council they are at risk of bailiffs taking further action (such as visiting their property) which could incur fees, increasing the debt which is already unaffordable for the client. The client has tried to speak with the bailiff's head office but have been told they need to talk 'directly to the visiting bailiff'. The client's income is solely from benefits and due to their health conditions they are unable to work. The client would like the council to take deductions from their benefits to repay the money owed, but has had difficulty speaking to them to arrange this." (Evidence Form)

"The client has been unable to remove their ex partner from their council tax bill since last year due to the online form being complex and difficult to navigate. They have been told that this is the only way she can record this change of circumstances - there is no paper form." (Evidence Form)

Collection and enforcement of council tax

Question 23: The government is interested in changing regulations on when councils can request a full bill, or seek liability orders, to a more appropriate and proportionate timeframe.

How long after a reminder notice, should full liability apply?

- after 7 days, as now
- after 14 days
- after 31 days
- after 62 days
- after 90 days
- other

Please explain your answer.

We support the proposal to extend the timeframe between when a reminder notice is sent and the liability for a full annual bill should apply. This should be extended to 90 days after a reminder notice is issued.

The problem with the current 7 day timeframe

People can fall behind on their bills for many reasons, such as a period of unemployment, an increase in other essential costs, illness or relationship breakdown. But the current 7 day timeframe before full liability applies, and people lose their right to pay in instalments, gives people very little time to get back on track, resulting in enforcement action and spiralling debt following very quickly after one missed payment.

The quick approach to enforcement results in extreme stress to residents, who are often worried by the threat of court action. Where someone is unable to pay the bill for one month, charging for the full year only adds further stress and uncertainty over how they will settle their debt.

"If they can't pay a monthly instalment it is impossible for them to pay a full year in one go. This adds to the financial stress that the clients are usually under" - Citizens Advice adviser

This punitive process does not facilitate the repayment of council tax, but instead increases the stress and panic for those struggling to repay. This is made worse by councils frequently refusing to agree to a repayment plan before applying for a liability order. This means that people aren't able to agree to an affordable payment plan without having extra costs added to their debt and facing the emotional impact of court action.

The seven day timeframe for enforcement also results in a mis-match between council departments, with enforcement action often moving forward faster than support processes.

The current 7 day timeframe is putting people at risk of court action during the period it takes for people to get a response from councils to resolve their issue. Many councils have a 10 day wait time to receive a response after submitting an enquiry, and we regularly hear from people who have faced longer waits. Often this is the only way for residents to contact their local council.

This is particularly harmful when people have paid their council tax bill but because of administration errors, they have been mistakenly put into arrears. In these cases someone can be hit with full liability and a liability order within the time they are waiting for councils to respond to an enquiry. This was the case for Justin.

Justin's story

Justin* receives Universal Credit and Council Tax Support. He received letters from his council informing him of unpaid council tax. However, he was up to date on his council tax bills and had reference numbers on all of his payments, but the payments were not showing up on his bill as received. Unfortunately, Justin was not able to get in contact with the council over the phone. He received a court summons and the associated costs were added to his bill. He was incorrectly £210 in arrears.

The inconsistency between council wait times and time before full liability applies also severely impacts people applying for Council Tax Support. Councils can take several weeks, sometimes months, to assess applications. This means that people who may be eligible for reduced bills, face the difficult decision of paying for bills beyond their means, or missing payments and facing court action.

Katherine's Story

Katherine* has been contacted by her council about arrears for 2023-24 and 2024-25. She has been trying to negotiate an affordable repayment plan with her council but they have told her she must pay £350 per month, which she cannot afford. She is on a low income, but has not been receiving Council Tax Support. She had recently applied for this but has been told by the council that her application will not be processed for several weeks. Once her application is accepted she expects that the amount she owes will reduce, which will help her to get back on track with her payments. She has asked the council not to apply for a liability order whilst she is waiting for her Council Tax Support application to be approved and for her liability to be reassessed. But the council have not agreed to this, leaving her very worried and stressed.

Extending the timeframe to at least 90 days will allow more time for people to get back on track

As set out above, one of the key problems with the current 7 day timeframe before full liability applies is that it does not give people long enough to get back on track. In 2024-25 the average annual Band D council tax was £2,171.¹ This means that someone in an average Band D property would need to pay back £217.10 if they fell behind on one ten-part instalment. But for many people this is likely to be far out of reach. Very few people would be in the position to cover an expense of this size at such short notice, with almost 1 in 5 (19%) UK adults reporting that they have less than £100 available for emergencies.² As a result placing pressure on people to pay their arrears in a short period of time could

¹ Department for Levelling Up, Housing & Communities, Council Tax levels set by local authorities in England 2024 to 2025 (revised), (2024). Available here: <https://www.gov.uk/government/statistics/council-tax-levels-set-by-local-authorities-in-england-2024-to-2025/council-tax-levels-set-by-local-authorities-in-england-2024-to-2025>

² Nationally representative Citizens Advice polling by Opinium, conducted in March-April 2025.

risk people defaulting on other bills or forced to rely on high cost credit to make payment.

Extending the timeframe to 90 days would increase the likelihood of people being able to catch up or access support. Where someone is working or in receipt of benefits we would expect that within 90 days they would receive around 3 income payments which would make it easier to allocate money to pay towards their council tax arrears, without risking dangerous cutbacks or financial strain. Providing this additional time will also help people who have irregular income, as they may need more than one paycycle to balance out periods of lower income.

Additionally, the 5-week waiting period for a first payment after applying for Universal Credit needs to be included in the timeframe before full liability applies. This would better support people whose circumstances or drop in income would make them eligible for Universal Credit.

Extending the timeframe to 90 days will better support people who require debt advice

Many people require support to help them deal with their council tax arrears. This includes where they need support negotiating an affordable repayment plan, are facing a negative budget, or have a number of different debts that they need support with. But 7 days is often not sufficient to provide the support they need. This often doesn't give people enough time to book an appointment, receive debt advice and apply for debt solutions (where required). Often our clients end up having a debt advice appointment scheduled after their court date, which does not allow them time to access the help they need before additional charges are added to their debt

Many of our clients struggling with council tax arrears are also facing other immediate challenges. For example, in 2024 in England, 21% of people who came to us about council tax arrears were also advised on food banks, 35% were also advised on fuel debts, and 27% were advised on rent arrears (for those who rent from councils or housing associations). But the rapid escalation of council

tax debt enforcement can force clients and debt advisers to prioritise council tax repayment over other pressing challenges. Providing additional time for people to get back on track with their council tax arrears would ensure they can instead prioritise more urgent needs.

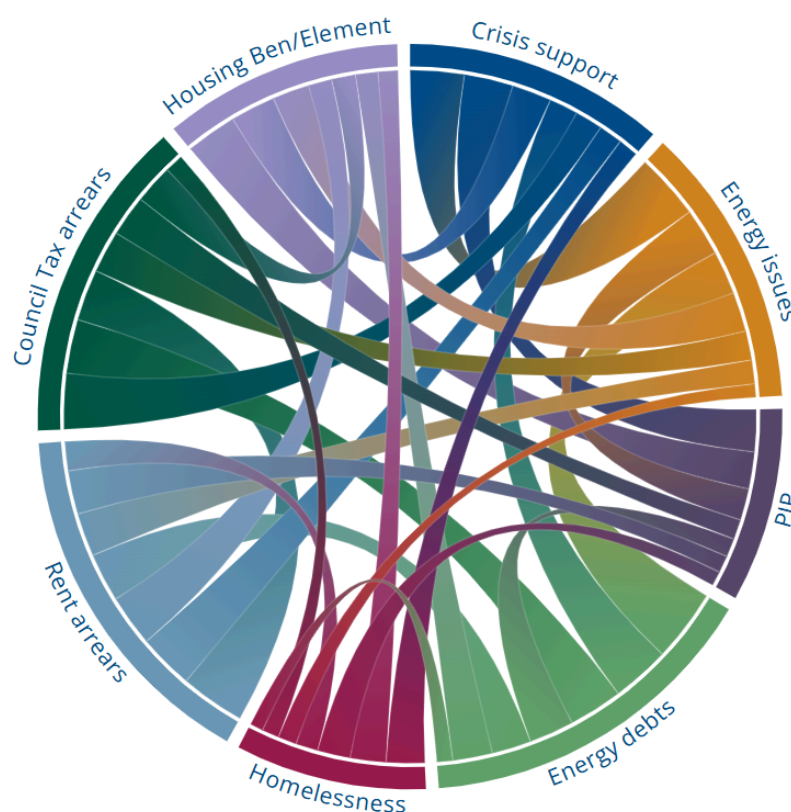


Figure 1: Chord diagram of cost of living issues that clients came to Citizens Advice for help with in 2023-24, where the client needed help with another issue. The interactive version of this diagram can be accessed [here](#).

Ensuring all residents have time to get back on track

We are aware of some examples of existing good practice where councils will give people more time before applying full liability. For example some councils put a hold on cases when someone is in vulnerable circumstances or is seeking debt advice. But at present this support relies on local discretionary arrangements. By extending the timeframe to 90 days and setting this out in legislation, it will ensure that all residents are able to benefit from having more time to get support.

Question 24: Are there any further steps councils should take before being able to charge for a full-year's bill? For example, offering alternative payment plans, providing further reminder notices or undertaking welfare checks.

There are a range of steps that councils should take before seeking full liability, to ensure that people are properly supported where they may be struggling to repay. This includes:

- Contacting the resident via an alternative communication channel to see if they require support and to encourage early engagement.
- Undertaking an assessment to identify potential vulnerabilities, and putting in place appropriate support and avoiding collection methods that would be inappropriate in the context of these vulnerabilities (such as the use of bailiffs).
- Negotiating a repayment plan which is affordable for the household, using a consistent affordability assessment.
- Checking whether the resident is eligible for any Council Tax Support or disregards, and providing instructions and assistance to apply.
- Signposting or referring to debt advice and support services.
- Considering whether a debt write-off under Section 13A would be appropriate.

To support consistent practice across England we are calling for the government to set out these requirements in a statutory pre-action protocol. This would ensure that there are clear steps that all councils have to take before full liability applies, ensuring that all residents can benefit from good practice.

We've provided further detail about these steps below.

Contacting the resident via different form of communication to see if they require support and to encourage early engagement

Alongside extending the time before full liability applies, councils should take steps to help people to engage early. To support this we encourage councils to make contact via an alternative contact method, using this as an opportunity to see what support someone may need to pay their arrears. This should include signposting to support and exploring repayment options. It is critical that the focus of these communications is on supporting residents.

People can end up in council tax arrears for many reasons, including administration errors, accidental missed payments and financial difficulty. This can affect how people engage with council tax letters. For example we're aware of people who have ignored letters where they thought they had received them in error, especially where they have received multiple incorrect bills from their council. In these cases the council could facilitate engagement by making contact by another means so people understand that they need to engage with the letter.

We also regularly hear from advisers that the tone of communication in council tax letters can make people scared to engage with their council. This can be made worse where letters emphasise court action or possible imprisonment. This can cause people who are struggling to repay to disengage as they are overwhelmed by the communications.

"I know clients we see tend to have just a massive pile of letters. They often haven't read any of them. They don't know what they mean. Some clients struggle to read letters. So I think communication via different channels would be really helpful. So that if they do have a question, they're being actively approached in a different way to ask questions about it." - Citizens Advice adviser

Councils should use the [Debt Management Communications Toolkit](#), which sets out guidance and good practice examples for public bodies when communicating with people about their debts.

Our advisers also report that only using letters to remind people of non-payment can exclude certain groups, including people with different vulnerabilities, or certain types of disabilities. Councils should make effective use of the data they already have, such as whether someone is already receiving Council Tax Support or has a disability, to make sure they are supporting people who may be in more vulnerable circumstances. Marcus's story below shows how this could help to support people.

Marcus's story

Marcus* receives Council Tax Support, due to a disability. He usually pays his council tax at the post office because online banking is not accessible to him. Marcus receives support from a friend to read his post. When his friend read his post with him he found out that the council was threatening court action for an unpaid council tax bill of £34. After coming to Citizens Advice, an adviser found out that when he paid his last bill, the payment was allocated to a debt from the previous year, which he was unaware of. Marcus needed to pay just under £10 to avoid court action. The threat of a liability order caused him stress and made him lose sleep. If the council had used other methods of communication when he first fell into arrears, this could have been avoided.

Undertaking an assessment to identify potential vulnerabilities

Councils should use their available data and the communication they have with residents to undertake a vulnerability assessment. In 2024, 49% of people (or around 39,000 people) who came to Citizens Advice in England for help with council tax arrears were disabled or had a long-term health condition. This high representation of people with council tax arrears with indicators of potential vulnerability highlights that councils need to be doing more to proactively identify vulnerability.

- In 2024, 27% (or around 22,000) of clients who came to Citizens Advice for help with council tax arrears were reported as a single person with children.
- 54% (or 3,900) of clients who came to us for help with a liability order summons or hearing were disabled or had a long-term health condition.

If someone is identified, or identifies themselves, as vulnerable, councils should amend their council tax collection and enforcement practices accordingly. This could include providing additional time before requiring full liability to enable people to get advice or support, and ruling out use of bailiffs. Too often we find that this is not happening, resulting in people in vulnerable circumstances facing bailiffs at the door and considerable stress from this enforcement action.

Often councils have access to information that would enable them to identify people who may be in vulnerable circumstances, but poor join up between council departments means that councils are not making the best use of this information, as Zara's story shows.

Zara's story

Zara* is a single parent with two young children, including a newborn. She lost her job whilst she was pregnant, and because of her low income she fell behind on council tax and rent payments. She receives Universal Credit and Maternity Allowance payments, and lives in council housing. She had not yet applied for Council Tax Support, which she was likely eligible for. Whilst Zara was in hospital giving birth to her second child, the council charged her with a liability order.

After coming out of hospital, Zara requested an appointment for debt advice, however the appointment was scheduled a month after the court summons date. She also contacted the council to agree a repayment plan, the council informed her that the lowest payment possible was £185 per month. However when Zara received the first repayment bill, she was charged £390, which she cannot afford.

In Zara's case, the council had access to data that showed indications of potential vulnerability. This includes multiple forms of arrears in council tax and rent. They should also have been able to identify that she was on a low income as her rent payment included Housing Allowance. The council could have responded to her potential vulnerability, including by signposting her to a Council Tax Support application, using an alternative contact method, and providing her with additional time to repay.

We currently see very variable practice when it comes to assessing and supporting residents in vulnerable circumstances. Some councils have good support in place and take proactive action, but we also routinely hear of councils who have instructed bailiffs with no consideration of vulnerability. The government should require all councils to take proactive steps, and provide a

definition of vulnerability in council tax legislation for consistent identification, interpretation and treatment of people who are in vulnerable circumstances.

Negotiating an affordable repayment plan

To reduce the number of cases where people face full liability it is essential that people have the opportunity to arrange an affordable repayment plan for their arrears. But currently we see a number of issues with this process, including councils setting proposals for repayment at unaffordable levels or not allowing people to set up a repayment plan unless a liability order is in place, resulting in added fees being heaped onto the debt.

- Almost half (49%) of our surveyed advisers said that councils are often or very often refusing to agree to a repayment plan without issuing charges for a liability order.
- Almost 2 in 5 (38%) of our surveyed advisers said their councils often or very often refuse the client's offer of an affordable repayment plan.

When repayment plans are set at unaffordable levels, it can leave people without an agreement (and therefore facing bailiff action) or forced into negative budgets and having to cut back on essential costs. A fundamental driver of unaffordable repayment plans is that councils often require bills to be paid within a financial year. This is simply not possible or affordable for many people. Instead, councils should base repayment plans on an affordability assessment, delivered using the Standard Financial Statement (SFS). This will require councils to accept longer term repayment plans, but it will ensure that people are able to keep up with their ongoing council tax bills and other essential bills.

Wider adoption of the SFS would also address current inconsistencies between councils in how they assess affordability. Hana's story below illustrates the harm when councils don't consider affordable repayment plans.

Hana's story

Hana* has a mental health condition, and is currently living on a low income as a single parent whose sole-income comes from Universal Credit. She was behind on her council tax payments and the council applied for a liability

order. A Citizens Advice adviser worked with her to develop a budget, and offered the council £75 a month repayment plan on Hana's behalf. The council refused the offer and tried to negotiate for a £100 a month plan. The advisers sent the council Hana's financial statements which showed she could not afford this. The council refused to negotiate and referred Hana to bailiffs.

Checking whether the person is eligible for Council Tax Support or deductions

When someone seeks our help with council tax arrears, our advisers frequently find that they are eligible for Council Tax Support, but have not been receiving this because they did not know they were eligible, or because they thought discounts would be automatically applied (for example where they receive Universal Credit). This can result in people having arrears that are higher than they would have been expected to pay had the support been in place.

When people fall into arrears, councils should proactively use this as an opportunity to look at whether they are receiving support they are eligible for, and should provide instructions and assistance to help people apply for relevant deductions after a missed payment. This should be built into the steps before full liability applies to make sure that people have enough time to apply for support or disregards so the right discounts are applied.

Refer or signpost the person to debt advice and support services

When councils are contacting people for missed payments, they should be referring or signposting the person to the necessary support to get the help they need. This information is sometimes included in council tax letters, but is often buried below other information, including enforcement information like court action which can cause people to disengage. There should be more focus in communications on the support that is available to help people get back on track to encourage engagement.

Consider writing off arrears using Section 13A powers

Despite having the power to use a Section 13A to reduce or write-off debts, councils are often not using them. For some residents whose financial or

personal circumstances means they will not be able to repay their debts, a write-off should be considered. The administration of chasing payment from someone who simply is not able to pay is causing people extreme distress and is wasted work for councils.

Our advisers have reported that when councils are open to Section 13A applications, they are taking months to undertake assessments. This leaves people in extreme hardship in limbo, with the possibility of large debts left to pay. There should be a consistent policy for accepting Section 13A applications, and an improvement in the assessment times for approving eligible applications.

Question 26: What other ways can councils support individuals when they miss a council tax payment?

It is key that the starting point is recognising that many people who have fallen behind on their council tax bills are in this situation because of financial difficulty. Too often we see examples where people are treated as though they are willfully avoiding paying their bills, and as a result do not get the support they need.

In our response to Question 24 we set out a range of steps councils should take to support people who have missed payments. It is important that this is underpinned by a statutory pre-action protocol, setting out clear steps that all councils must take, to ensure that there is a consistent level of support across the country.

The government should also extend the reach of the [Debt Fairness Charter](#), so that it applies to local authorities. This would ensure that there are similar standards in place when people owe debt to central or local governments.

As identified in Questions 19 and 20, councils need to ensure any communication, and new practices are accessible for all residents. This includes considering people who are digitally excluded.

We also encourage councils to proactively work with debt advice organisations, to ensure that people are getting the support they need. This also includes

working collaboratively to prevent people falling into debt, such as co-designing communication and processes with debt organisations to best support people in or at risk of debt.

Question 27: Do you agree that the government should introduce a cap on the reasonable costs that a court can award for a council's costs for an application for a liability order?

We agree that the government should introduce a cap on the costs that can be recovered for a liability order.

As set out in the consultation document the fees charged vary locally, ranging from £35 to £172. These high fees can cause additional stress and place people in further financial hardship, making it harder for them to repay their debt. Reducing these additional charges should be a priority to reduce the risk of spiralling debt where people fall behind on their council tax bills. Capping the cost would help to make sure people aren't paying more just because of where they live.

Alongside a cap on fees, we would also like to see more transparency in how reasonable costs for liability order fees are calculated. [Magistrates' Courts fees for a liability order costs 50p](#), and it is often unclear what is being included in the additional costs being charged to residents.

Whilst we welcome the proposal to cap liability order fees, it is important that the government also makes changes that reduce the number of people who are subjected to a liability order in the first place. This should include addressing current widespread practice where councils will not agree to repayment plans without a liability order. This means that people who are engaging with councils in good faith are being confronted with additional fees before they can take steps to repay. In a recent adviser survey, almost half of our advisers (49%) reported that they often or very often experience their local council refusing to agree to a repayment plan without obtaining a liability order. The impact of this can be substantial, as the added fees can add months or years on to the time period it would take someone to repay the overall balance.

“The client has council tax arrears and would like to make a repayment plan with the council. However the council is stating that because the case is at reminder stage they cannot set the payment plan up and that this can only be done at the summons stage [...]. They have said that the client can pay whatever it is they can afford in the meantime, however they will then need to wait until the summons stage when the repayment plan can be set up. This would mean that extra charges are added, taking the client into further debt.”
(Evidence Form)

***Question 28: What do you think this cap should be set at?**

Please explain your answer:

- **less than £70**
- **up to £70**
- **between £71 and £100**
- **over £100**
- **Other**

The cap should be set at as low a rate as possible (less than £70). The cap must include all fees associated with the liability order and court summons to reduce the additional costs being placed on people who fall into arrears.

In determining the cap the government must consider the impact the fees will have on people who are struggling to pay their council tax arrears. For many of our clients, £70 is a substantial amount of money which could extend the repayment period by many months. Many are simply not in a position to pay these additional charges. For example, in 2024 almost half (49%) of our debt clients in England with council tax arrears were in a negative budget. Concerningly our council tax debt clients were in an average of -£18 deficit.

Whilst a cap should help to bring down additional fees, there are some circumstances where the fees should be set at a lower level or waived. For example, we often see cases where liability orders have been taken out and fees charged to people with low arrears, often below or similar to the amount charged in fees, as illustrated in Jack’s story below.

Jack's Story

Jack* and his wife have a low income. They both have long term health conditions, and their income is made up of state pension and Personal Independence Payment. As a result they receive Council Tax Support, which brings their overall council tax bill down to around £260 per year. They have always paid by instalments but for some reason the payment wasn't taken in April or May, and as a result they fell into arrears.

Their total arrears were only around £50, but the council sought a liability order which meant that Jack and his wife were required to pay the full annual balance of £260. In addition, the council added fees of over £100 for the liability order. On their low income Jack and his wife were unable to afford the additional costs that had been added to their arrears.

Our adviser said: " Whilst the Council has not done anything against their policy for collecting Council Tax arrears, the policy has no flexibility for dealing with individual cases on their merit. Bringing proceedings against a client already in receipt of Council Tax Support and charging for costs are draconian, unnecessary and suggest that the council's policy should be reviewed to take into account the client whose financial situation is only going to be adversely impacted further than it is already."

This is not an isolated issue, we often see clients who are required to pay liability order fees which are disproportionately high in comparison to their total council tax arrears. In one extreme example this included a council adding liability order fees of over £100 where the client was just £5 in arrears. Fees are likely to be disproportionately high where households are in receipt of Council Tax Support, where their monthly liabilities may be much lower than the fee charged for a liability order. In these cases, the fee should be reduced or waived as it is not proportionate to the debt owed.

Powers to enforce council tax

Question 30: Do you believe the current enforcement is or is not proportionate in the context of council tax collection? Why/why not?

We do not consider current approaches to council tax enforcement to be proportionate. We have set out our explanation for this below.

The current timescales for debt enforcement and full liability result in very quick escalation of enforcement, and result in spiraling debts

We are pleased to see that this has been acknowledged by the government, and that they are exploring options to extend the timeframes before full liability applies, and introducing caps on the fees councils can recover for liability orders. If these proposals are taken forward this will be a substantial step forward.

Councils are often quick to involve bailiffs, often before alternative and less invasive recovery approaches have been properly explored

The involvement of bailiffs is invasive and can be incredibly distressing. It should only be considered as a last resort and when other methods of repayment have been explored. But all too often our advisers encounter local councils who appear to use bailiffs by “default”, instead of considering alternative and less heavy-handed approaches to recovery.

We frequently see cases where bailiffs have been instructed despite clear signs that the household is not in a position to pay. For example where they are in receipt of Council Tax Support, have a deficit budget, or have already contacted their council to try and arrange a repayment plan but have been unsuccessful in coming to an agreement.

- 76% of Citizens Advice advisers say that they often or very often encounter cases where the debt has been passed to bailiffs/enforcement agents when the household is in receipt of Council Tax Support.
- 85% of advisers say that they often or very often encounter cases where the debt has been passed to bailiffs/enforcement agents when the household is in a negative budget.

- 52% of advisers say that they often or very often encounter cases where the debt has been passed to bailiffs/enforcement agents whilst the person is trying to come to an agreement with their local authority.

Instructing bailiffs in these circumstances is counterproductive. The use of bailiffs results in further costs being incurred, making it only more unlikely that someone will be able to settle their arrears.

Many advisers also raised concerns about the use of bailiffs in cases where households are in receipt of benefits. In these cases the council could consider an attachment to benefits. This would prevent the need for bailiffs, and enable people to repay their arrears at a more affordable rate than what they would otherwise be offered through a repayment plan with an enforcement agent. Too often we see that this option has not been explored. In some cases this includes where clients have proactively asked the council to put in place an attachment to benefits but this has been refused. This leaves them with bailiffs knocking at their door who they cannot afford to pay. This is something that the government must urgently address through the development of a statutory pre-action protocol.

We also routinely see issues with bailiffs presenting demands for repayment that are unrealistic and unaffordable. This is an issue that can be exacerbated by council policies that require payment to be settled by the end of the financial year. Below we have included Tomas* and Emma*'s stories to illustrate this issue.

Tomas' Story

Tomas* contacted Citizens Advice for help after he'd been visited by bailiffs. He had not received any prior notice of the visit, but when the bailiffs visited they said an enforcement notice had been sent and that he would have 24 hours to pay the full balance or face removal of goods. Tomas is self-employed, and has been struggling to get by due to a fall in work and unpaid invoices. He told the bailiffs about his financial situation, and that he could not pay the full amount due to his low and fluctuating income. When his case had been passed to bailiffs, he had written numerous emails to try and

agree a repayment plan. He had included a copy of his budget which provides evidence that some months he has nothing left to live on, but had been unable to come to an agreement. When he tried to arrange an affordable repayment plan he was told “it’s £400 per month or nothing”.

Emma’s Story

Emma* made an offer to pay £100 a month to bailiffs to pay back her council tax arrears, but the bailiff rejected this stating that the council have said the debt must be repaid by the end of the financial year. The bailiffs told Emma she would have to pay £1,300 per month towards the debt, but this amount is not feasible as this is more than Emma earns each month. As the bailiffs refused her offer of repayment, Emma has been left with the continuing threat of further bailiff visits which will add to the cost of paying her debt, despite her active attempts to put in place a repayment plan.

Where bailiffs refuse clients offers of repayment this can leave them stuck, unable to resolve their debt and at risk of bailiffs returning to someone’s home and removing goods.

Attachment to earnings orders are plunging people into financial hardship

Many of our advisers raised concerns about the level of deductions where council tax is recovered through attachment of earnings. The high levels of deductions can result in people falling behind on other bills, and unable to afford essentials like food. It should be noted that the thresholds for deductions have not been increased since 2007 in England. This contrasts the situation in Wales, where the thresholds were updated as recently as 2022.

The effect of not uprating the income thresholds in England is that the level of deduction people face through attachment of earnings has become increasingly punitive over time. Niamh’s story shows the impact this can have.

Niamh’s Story

Niamh* lives with her husband and two young children. Their financial difficulties began after her husband lost his job, resulting in them struggling to

meet their essential costs on a reduced income. The sudden fall in household income left them in a substantial deficit budget of almost £900 a month. In this time whilst Niamh's husband was searching for work, one of the bills they had fallen behind on was council tax. They were issued with a liability order, and the council put in place an attachment of earnings to recover the debt. This was based on Niamh's earnings, which were around £2,100 a month. This saw almost £400 a month being deducted. But with their income made up only from Niamh's salary and a small amount of Universal Credit, the family were left unable to cover all of their essential costs. The high level of deductions was putting them at risk of defaulting on their mortgage.

Based on the current thresholds, someone with net earnings exceeding £1,420 (but lower than £2,020) would see at least 17% of their income deducted. This would include full time workers earning the minimum wage. People with a net income of £2,020 or more per month would see 17% of the first £2,020 deducted from their income (£343), followed by a 50% deduction for any income in excess of this figure. £2,020 per month equates to a gross annual salary of around £29,000 - which is around £8,000 lower than the median UK salary.³ This sees families with relatively low earnings facing considerable strain from deductions for council tax. Below we have set out a worked example to show how the failure to uprate the earnings threshold has put more stress on household budgets over time.

Worked example

- In 2007, a full-time worker earning the minimum wage would have earned around £897 a month. Through attachments of earnings they would have seen 7% of their income deducted.
- In 2025, a full-time worker earning the minimum wage would earn around £1,984 a month. They would see 17% of their income deducted.

We are calling for the government to uprate the current earnings thresholds as a matter of urgency.

³ The median gross annual earnings for a full-time employee in April 2024 were £37,430 according to the Office for National Statistics. Source: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2024>

The government should also have in place processes to update the thresholds on a regular and continuing basis. This would ideally be linked to the process of updating the National Minimum Wage, to ensure that the level of deductions does not accidentally inflate over time, further squeezing household budgets.

The threat of imprisonment is held against people

In England committal to prison is still possible as a last resort for non-payment of council tax. We understand that this provision is only intended to deal with cases where people have willfully not paid their council tax, and is very rarely used. However imprisonment for non-payment of council tax is always disproportionate.

We are also concerned by situations we have seen on the frontline, where the threat of imprisonment has been used by bailiffs to compel repayment from people who cannot afford to repay. This can cause significant distress and has in some cases resulted in people taking drastic action to meet bailiffs demands for repayments, even where this has left them unable to pay other priority bills. The impact of this is illustrated through Luke's experience.

Luke's Story

Luke* had fallen behind on his council tax bills during a period of ill health. He was contacted by bailiffs seeking repayment of his full annual bill (around £1,200). He contacted the bailiffs to explain his financial difficulties and recent period of poor health. He tried to agree a repayment plan, offering to pay £100 per month to clear the debt. The bailiffs refused his offer of repayment, and told him only full payment would be accepted. They said that they would be returning to his property to remove goods, and told Luke that if the goods didn't cover the full amount then the next step would be committal and he could be imprisoned. Luke contacted Citizens Advice for help as he was really worried about being imprisoned if he couldn't pay.

The government must abolish the power to commit people to prison for non-payment of council tax.

A lack of flexibility when agreeing repayment plans

Where implemented appropriately, repayment plans can provide people with a way to get back on track after falling behind on their council tax bills. But on the frontline, our advisers frequently encounter a lack of flexibility, which results in people being unable to agree an affordable repayment plan with their council.

- Nearly 2 in 5 (38%) of advisers report that they often or very often see cases where the local authority refuses the clients offer of an affordable repayment plan.
- In cases where bailiffs are used, 72% of advisers often or very often see bailiffs/enforcement agents refuse the clients offer of an affordable repayment plan.

This issue is often exacerbated by local councils requiring arrears to be collected by the end of the financial year, which results in clients being presented with repayment timescales that are not affordable, and having their offers of repayment rejected. This can result in counterproductive follow up action, such as a liability order being sought and bailiffs being instructed when it is already clear that the person is struggling to repay the original balance. These actions add further costs to the debt, which only makes it harder for the client to pay back their arrears.

“We had made an offer of £50 per month as this would seem all they can afford based on the financial statement. The council have responded to say they would expect a payment plan of £190 per month to clear the balance within 12 months. They have questioned the expenditure [...] even though the client has two young children and all of these amounts still fall well within the Standard Financial Statement spending guidelines.” (Evidence Form)

Many advisers also reported that their local council will not agree to a payment plan until a liability order is in place. This results in people facing additional costs to settle their council tax debt, even where they are trying to engage with their council to resolve the problem. The impact of this can be substantial with liability orders regularly adding over £100 to the total balance. This is a punitive

approach that results in additional financial strain being placed on people who cannot afford to settle their debt in one go.

A further issue that we have identified in relation to repayment plans is a lack of consistency in assessing affordability. Our debt advisers use the Standard Financial Statement (SFS) to assess someone's income and expenditure, and available income for debt repayments. This tool is adopted widely by other creditors, but we frequently experience issues with councils challenging expenditure, even where it falls within the accepted limits of the SFS, or requiring their own income and expenditure assessment to be undertaken, which can slow down the process of agreeing a repayment plan. This is an area where there are also substantial inconsistencies across local authorities, and sometimes even within the same organisation with different staff taking different approaches. In more worrying examples, we have seen cases where no affordability assessment appears to have been undertaken and the repayment plan offered to the client is simply their debt divided by the number of months remaining in the financial year.

To overcome these issues, the government should require local councils to use the SFS when assessing affordability of repayment plans.

A lack of flexibility when dealing with individual circumstances

In some areas we also identified a complete lack of flexibility when responding to individual circumstances. In more severe examples, this included a local council which provided no additional time before seeking a liability order for someone who had forgotten to make payment following the bereavement of their partner. In another instance, a council instructed bailiffs when the person had proactively contacted their council to ask if they could have a short extension to pay the bill, as they hadn't been paid.

"The client has been told that the bailiffs are coming which would add fees of £235 to their current debt even though the client would be able to make the correct payment within days - after they get paid." (Evidence Form)

Automatic enforcement where people miss multiple installments penalises the most financially vulnerable

Within council tax debt enforcement there are multiple points where someone can face automatic enforcement for repeatedly falling behind on bills. For example under current rules, where someone misses a council tax instalment for the third time the full annual bill will be called in. We are also aware of bailiffs who will seek to call in the full debt if a client falls behind on their repayment plan. Whilst we understand that local authorities want to encourage repayment, these policies appear to be premised on the idea that people are willfully avoiding payment. This ignores the reality of people living in persistent financial hardship, including those with variable incomes or who have experienced a sudden change in circumstances.

“The client had a payment plan in place with enforcement agents who are recovering her council tax arrears. The client missed a scheduled payment for £100. When they tried to make the payment two days later this was rejected and the full balance of over £600 was demanded. It appears that the enforcement agent would not accept the late payment because a payment around 4 months previously had been late and the client was not allowed 2 late payments.” (Evidence Form)

An enforcement regime that was more sensitive to lived reality would recognise that persistent arrears may instead be a sign of financial vulnerability and respond with support, rather than automatic sanctions.

Question 31: What are your views on ways enforcement could better reflect the needs of those in financial or other hardship?

There are a range of changes that the government could implement to ensure that council tax debt collection practices better reflect the needs of those in financial or other hardship.

Communications and early engagement

The starting point for improvement is in the approach to communications when people first fall behind on their council tax bill. We would like to see more emphasis around the support that is available to people, including signposting to the council's support and debt advice.

We would also like to see more early engagement from councils, for example:

- Taking steps to understand if there are circumstances that are affecting their ability to pay.
- Identifying whether the household should be receiving Council Tax Support, and helping them to put this in place.
- Exploring repayment options, including informing people of other methods that could be used so they can come to an agreement without the use of further enforcement action.

To support this we would also encourage councils to make better use of the information that is already available to them. For example, many of our advisers raised concerns about disconnects they see between council departments who are responsible for collections and those responsible for other council support, including Council Tax Support. As a result, we frequently help people who are receiving enforcement communications from a council's collections team whilst a separate team within the council is dealing with a Council Tax Support request or other hardship support.

Giving people more time to get back on track

It's important that people are given a more realistic period of time to deal with their arrears, before collection practices escalate. We are therefore pleased to see the government consulting on this issue in Question 23. By extending the time frame before full liability applies to 90 days, the government would reduce the risk of people in financial hardship facing enforcement action, by ensuring they have more time to put in place a repayment plan or seek debt advice. To be effective this must be complemented by improvements to repayment plans to ensure that repayment timeframes are genuinely affordable.

Providing greater flexibility over the timescales for repayment

As set out in previous answers, we regularly encounter issues with people being unable to come to an affordable repayment agreement with their council or bailiffs. Councils often require payment to be made by a set point in time (often by the end of the financial year), rather than agreeing terms based on an assessment of what is affordable to the person.

Repayment plans should be based on an affordability assessment. And the government should require councils to adopt the Standard Financial Statement (SFS) to ensure there is consistency in how councils assess what level of repayment is affordable.

More consistent approaches for writing off debt that is unrecoverable

In some circumstances debts will be genuinely irrecoverable. This is especially likely for households with persistent debt caused by being in a negative budget, or with high levels of debt that would take them years to repay.

In these examples we would encourage councils to consider where it might be appropriate to write off part of, or the full balance of the debt. This would have compassionate benefits - providing a fresh start for households facing serious financial difficulty. It would also stop councils from putting continued resources into chasing debts that will not be repaid.

We find that some councils are willing to use their Section 13A powers to write off debts in situations where it is clear there is substantial financial hardship and the household is unlikely to be in a position to repay. But approaches are very varied and inconsistent, both across councils and sometimes even within the same local council - where people can secure very different outcomes depending on the staff member they speak to. To address this, expectations should be incorporated into a statutory pre-action protocol, to drive consistent practice across the county.

More consistent approaches to backdating council tax support

Our advisers frequently support people who have fallen into arrears who would have been eligible for Council Tax Support, but did not know they were eligible or did not know they needed to apply. In these situations we work with people to apply for the support they are eligible for, and to seek an adjustment to the issued bill recognising that they should not have been liable for the full balance. However, there are a number of issues that we see at this stage.

Firstly, it can take councils several weeks (sometimes months) to action applications for Council Tax Support. This leaves people in limbo - or worse, facing escalating debt collection, whilst trying to ensure they are only held liable

for the bill they would have been expected to pay, once the appropriate Council Tax Support was in place.

Councils also have inconsistent approaches to back-dating Council Tax Support, which in some areas can result in people being held liable for bills that they would not have been expected to pay if the proper support was in place.

"We have seen debt clients that have been found to be entitled to 100% council tax support but where this was not applied for (because client is not aware) the council will still continue to collect the debt for those previous years [...] The local authority has declined to remove these debts and they then send out enforcement officers to collect, which incurs further charges." - Debt adviser, Adviser Survey

An end to the use of bailiffs for households facing financial hardship

The use of bailiffs is inappropriate in cases where households are experiencing financial hardship. The use of bailiffs only adds to the fees and charges that people are required to pay to settle their debt, which will result in spiralling debt and only worsen people's financial difficulties. Being subject to bailiff action is also often incredibly distressing for individuals and their family members.

We urge the government to:

- Exempt households in receipt of Council Tax Support from bailiff action. Where a household is eligible for Council Tax Support this is a clear indication that they are likely to have limited ability to pay, which means that added fees and charges will be unaffordable.
- Introduce a statutory pre-action protocol setting out the steps that local authorities must take before using enforcement agents. This must include requirements for councils to:
 - Explore other repayment options, including repayment plans or where appropriate, attachment to benefits.
 - Exempt people from enforcement action where there is evidence of limited ability to repay (based on their financial assessment), including where households have deficit budgets.

We are also concerned about the scale of poor practice we see from bailiffs. This includes situations where bailiffs misrepresent their powers, behave aggressively, or threaten people with imprisonment. We are pleased to see that the government has committed to bringing in statutory regulation for the bailiff sector, but this alone will not reduce harm, and it is important that steps are being taken to reduce the number of people who ever face bailiff visits.

We're also concerned by issues we see in relation to repayment agreements, where people are being faced by demands for repayment from bailiffs that are unaffordable, as illustrated in Baillo's story.

Baillo's Story

Baillo* was contacted by enforcement agents for council tax debt of over £1,600. He had previously received Council Tax Support, but this ended when he moved into work. The bailiffs asked him to make an upfront payment of over £600 before setting up a repayment plan, and then to pay £300 per month until the debt is cleared. Baillo told the bailiffs that he would not be able to afford this as his income is only £1,350 per month. He made an offer to pay £150 a month. This would have cleared the debt within 12 months. But the bailiffs refused his offer of repayment. Baillo came to Citizens Advice for help, as he didn't know what to do given that his bailiffs wouldn't accept an affordable repayment plan.

Dealing with short-term changes of circumstances

Individuals may fall behind on their council tax when they experience a sudden change in circumstances or life event. This could include job loss, eviction, a reduction in income, relationship breakdown, bereavement or illness.

Some councils already have good approaches in place to respond to these circumstances. For example, we are aware of one council who will apply a 60-day hold to cases where people are seeking debt advice to ensure that enforcement action does not proceed whilst they are trying to resolve their debt. But approaches vary considerably, with some councils or individual staff members taking more supportive and personalised approaches, whilst some are inflexible and unsympathetic in their approach.

Local authorities should have processes in place to respond to changes in circumstances that may result in people suddenly falling behind on their council tax payments. This should include flexibility to allow people to pay later and use holds, to prevent enforcement action whilst people are seeking advice or where they may need a grace period before they can deal with the situation (for example in the case of bereavement or illness).

If the government extends the period that people have to pay their arrears from the current 7 days to 90 as we've set out in our response to Question 23, we would expect that this would provide sufficient flexibility in many situations to help people get back on track or deal with more urgent situations. But should the government decide not to increase this period, or not increase it to the full 90 days, then the use of holds will be even more important. What is key, is ensuring that a high standard is set in statutory requirements, to end the postcode lottery in support that we currently see.

Support for people dealing with multiple bills

People can face affordability problems where they are paying for multiple sets of council tax arrears at the same time. For example, where they have an attachment of earnings in place for a previous council tax debt and simultaneously have other council tax liabilities being repaid either through an additional attachment of earnings, or via another repayment plan. This can result in substantial amounts of someone's monthly income going to paying current and past council tax liabilities. This strain risks people falling behind on other bills, and can also jeopardise their ability to keep up with their current council tax payments risking them being pulled into persistent debt.

"The client has an attachment of earnings in place for council tax arrears and the council wanted to set up a direct debit of £200 per month for another separate council tax bill. This was causing the client stress about how they would go about paying both bills as the attachment of earnings was already taking a large chunk of their income away." (Evidence Form)

In some cases local councils have in place approaches to “stacking” council tax bills that ensure that people are able to pay their current liabilities first. But local approaches are not consistent, and in some cases the approach to debt collection can increase the risk of people being unable to keep up with their current payments. Advisers also raised concerns about confusion people can face where they have multiple liabilities, as communication around their total liability and which debts they are currently repaying can be very poor. It is important that councils look at people’s liabilities as a whole, and prioritise approaches that enable people to stay on top of their ongoing liabilities, to reduce the risk of people being pulled into a cycle of debt. This should include considering use of Section 13A powers to write off debts where appropriate.

Question 32: What are your suggestions on alternative or additional measures to ensure council tax is paid?

Councils already have a number of methods available to them to collect and enforce council tax debt, but as set out in response to Question 31 we are routinely seeing issues with how some of these methods are being used. This includes councils relying on expensive recovery methods that result in a higher balance needing to be repaid, rather than accepting early offers of repayment. Not only is the excessive use of liability orders and enforcement agents making it harder for people to repay their growing debts, it is likely costing councils more than if flexible recovery approaches were used. This is made worse when councils use these methods on people who are struggling to pay their arrears, placing families under considerable stress where the prospects of recovery are very low.

As set out in our response to Question 31, the government should:

- Implement a statutory pre-action protocol setting out clear steps councils must take. This should include clear expectations about the steps that must be taken before instructing bailiffs or issuing a liability order, including seeking to agree a repayment plan or exploring attachment to benefits.
- Ensure people have greater flexibility around repayment plans, to enable them to pay over a more sustainable period.

- Require local authorities to adopt the Standard Financial Statement for assessing affordability or repayment plans.
- Urgently increase the earnings thresholds for attachments of earnings to ensure that these do not plunge people into financial hardship.
- Abolish the power to commit people to prison for non-payment of council tax.
- Exempt people receiving Council Tax Support from use of bailiffs, and take further steps to drastically reduce the use of enforcement agents for council tax collection.

Question 33: What are your views on the current methods available to councils to collect council tax?

It is positive that people are able to pay for their council tax via a range of methods, including automated methods (like direct debit and standing orders), as well as being able to pay for instalments online, via phone, or in person using a paypoint or post office. It's important that these options are available to support the needs of all residents.

It is also important that people are able to arrange payment over a range of billing cycles. We currently see less flexibility around payment dates for direct debits, where councils sometimes only provide a few dates that payment can be taken on. These will not always align well with individuals' payment dates and other billing cycles, so it may be beneficial to provide greater flexibility around these dates.

Question 34: How else do you think council tax could be efficiently and fairly collected?

The main change we would encourage the government to implement to improve the opportunities people have to pay their council tax is around flexibility when people may need to arrange an alternative repayment date. For example where someone may experience a short term cash flow issue or sudden change in circumstance that means they would benefit from more time to make payment, or may only be able to make partial payment until a set date. This would help to avoid liability orders being sought where people would be able to catch up on

their payments if they had more flexibility. This is especially important in the current context where people only get 7 days after a reminder notice to pay before full liability applies.

Additional flexibility would benefit people who have more variable income, or who have varying income periods (such as self-employed people). This could also provide better support for people who experience a sudden change in circumstances, for example where people may have reduced income as a result of sickness, job loss or relationship breakdown.

Question 35: Do you have any views on anything else related to council tax administration which has not been covered in this consultation and call for evidence? If so, please provide them here (250-word limit).

In our evidence review we identified a range of issues not included within the scope of this consultation. This includes:

- Issues around the managed migration to Universal Credit, including:
 - Clients who have accidentally fallen into arrears because they didn't know that their exemption for council tax had not been passported, or that they were now liable to pay council tax.
 - Clients who receive lower levels of support after moving onto Universal Credit, due to certain benefits being treated as income. This is seeing some people newly liable for council tax even though their actual income level is unchanged. We are seeing this result in people being unable to pay their council tax.
- Issues around council tax liability where people in temporary accommodation are placed in another council area - this can result in people accidentally defaulting on payments due to poor communication from their council around their liability.
- Ongoing difficulties facing residents and advisers when it comes to contacting their council for support or help with council tax, which makes it harder to resolve people's issues.

The use of enforcement agents was also placed out of scope of this consultation, due to the Ministry of Justice consultation on the regulation of the debt

enforcement sector. Whilst we support steps to bring in place statutory regulation for the enforcement sector, there are specific issues around the rapid escalation to bailiffs in council tax cases, and we encourage the government to take steps to reduce the use of bailiffs for council tax enforcement.

Question 36: Do you have any views on whether any of the proposed changes in the consultation will have any disproportionate impacts on any particular groups with protected characteristics compared to others?

Whilst we support the proposal to cap fees for liability orders, there is some risk of unintended consequences that the government should aim to mitigate. Specifically, we encourage the government to ensure that the cap does not become a blanket measure, as this could have a disproportionately negative impact on households facing financial hardship. For example, if the cap is set at £70 there will be many cases where this is likely to be unaffordable, or disproportionately high relative to the scale of the debt. We are aware that a small number of councils will sometimes not apply charges where households are experiencing financial hardship, and it is important that this kind of good practice is retained.

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