

MONEY

ADVICE TRUST



Consultation Response:

MHCLG Modernising and improving the administration of council tax

Response by the Money Advice Trust

Date: September 2025

Contents

- **Page 2** Contents
- **Page 3** Introduction / about the Money Advice Trust
- **Page 4** Executive summary
- **Page 8** Summary of evidence sources used
- **Page 10** Responses to individual questions
- **Page 52** Contact details

Introduction

About the Money Advice Trust

The Money Advice Trust is a charity founded in 1991. Our mission is to help prevent financial difficulty and remove problem debt from people's lives.

In 2024, our National Debtline and Business Debtline advisers provided help to 156,100 people by phone our digital advice tool, and 47,600 people by webchat, with 2.8 million visits to our advice websites. In addition to these frontline services, our Wiseradviser service provides training to free-to-client advice organisations across the UK and in 2024 we delivered this free training to 750 organisations.

We use the intelligence and insight gained from these activities to improve the UK's money and debt environment by contributing to policy developments and public debate around these issues.

Find out more at www.moneyadvicetrust.org.

Public disclosure

Please note that we consent to public disclosure of this response.

Executive Summary

We welcome the opportunity to respond to the timely consultation on modernising and improving the administration of council tax in England. Since council tax was first introduced, the context on arrears has changed significantly, yet the collection and enforcement rules have barely been updated. Arrears have grown significantly, as more people struggle to afford their council tax, meaning more people in financial difficulty have ended up in collection and enforcement processes.

- Over 1 in 10 households in the lowest income decile report being having been behind on their council tax compared to 1 in 20 households across Great Britain.¹
- **47% of households who are behind on their council tax are in relative poverty**, (defined as 60% of the net median household income after housing costs).²
- **A quarter of National Debtline clients (25%) have council tax arrears.** The majority (68%) of these have an additional vulnerability on top of their financial difficulty. Among this group, the most common reason for debt was the impact of a life event (29%) – such as losing their job - while one in five (22%) had fallen into debt due to not having enough money to cover basic costs. 16% had fallen into debt due to the impact of a mental or physical health condition.³

There is certainly good practice out there from some councils and both our own evidence, and wider evidence, shows this has a positive impact on people in financial difficulty.

Unfortunately, in the absence of changes to council tax regulations, the spread of best practice across the country has been too slow and too slight. This means that, for many people, their experience of council tax collection and enforcement is still a negative one:

- We asked more than 550 National Debtline and Business Debtline clients with council tax debt to describe their experience with the council in their own words and then ran this through AI sentiment analysis. **More than four in five (83%) responses were of negative sentiment** (11% were positive and 6% were neutral).⁴

¹ Centre for Social Justice (2024) [Still Collecting Dust: Ensuring fairness in council tax collection](#)

² Ibid

³ National Debtline client data, based on all clients who contacted National Debtline between 1 October 2024 – 10 September 2025.

⁴ Responses taken from survey of people helped by National Debtline and Business Debtline between October 2024 – July 2025, who had council tax debt. Fieldwork conducted online, in August 2025. Based on 557 responses to free text question “In a few words, how would you describe your experience with the council, in dealing with your council tax debt?”. Responses were analysed via survey software’s AI tool to determine their sentiment as either negative, neutral or positive.

- **Just one in five** National Debtline and Business Debtline clients (21%) said they were **able to agree a repayment plan** with their council at a level they could afford.⁵
- **More than half (53%)** of people in England who had missed a council tax payment in the past 12 months said they had **not been offered any help or support by their council**, despite needing this.⁶
- Overall **bailiff use** by councils in England, to collect council tax debt, **increased by 14%** between 2023/24 and 2024/25, with 1,695,170 council tax debts passed to bailiffs.⁷

The current system isn't working well for either people in debt, or councils. And with arrears continuing to rise to record levels, we think there is a clear argument for a new approach.

For many years, we have been collecting evidence of the issues in council tax collection and enforcement and mapping approaches taken by local authorities. This includes developing and publishing our *Six steps for local authorities*.⁸ Through this work, we have developed a strong understanding of where the current system is not working effectively, and what the opportunities for change are. We have long campaigned for improvements to the system to deliver better outcomes for people struggling to pay and for councils. We present this evidence throughout our response, alongside newly commissioned evidence for this consultation (see summary of evidence sources section for more information).

We strongly support proposals to **extend the period before councils can seek a liability order**, and to **cap liability order costs**. Our evidence (set out in more detail in question 23) shows that people who were not made liable for their entire annual bill consistently reported better experiences and outcomes, than those who were made liable. For example, among National Debtline and Business Debtline clients who **were not** made liable for their entire bill, two in five (39%) were able to agree a repayment plan with their council at a rate they could afford. This compares to just 16% of National Debtline and Business Debtline clients who **were** made liable for their entire bill.

⁵ Money Advice Trust survey of 802 people helped by National Debtline and Business Debtline between October 2024 – July 2025, who had council tax debt. Fieldwork conducted online, in August 2025.

⁶ Nationally representative research of 4,325 adults in England, commissioned by the Money Advice Trust and conducted by YouGov Plc. Fieldwork was undertaken between 20th - 22nd August 2025. The survey was carried out online. The figures have been weighted and are representative of all adults in England (aged 18+).

⁷ Money Advice Trust Freedom of Information request conducted in 2025– based on responses received from 293 local authorities in England (99%).

⁸ Money Advice Trust (2024) [Six steps for local authorities](#)

In our response, we also set out other measures we think would help ensure collection and enforcement processes are a) proportionate and b) reflect the financial reality for people in council tax arrears. This includes the following.

- **Introducing a statutory council tax pre-action protocol** to clearly set out the steps local authorities should take before proceeding to a liability order including: assessing vulnerability; attempting to set-up an affordable repayment plan; referring to free debt advice; checking eligibility for council tax support schemes; and income maximisation (see question 24).
- **Exempting local council tax support recipients from bailiff action** (see question 31).
- **Ending the sanction of imprisonment** for non-payment of council tax (see question 30).
- **Improving data sharing** to enable better segmentation and tailoring of collection processes (see question 24).

In our response, we set out further evidence for these changes, how they could be achieved, the benefits they would bring and how to overcome barriers to change. Importantly, we think these changes will support effective and efficient collection, not undermine it. For example, research by Policy in Practice with London councils found there was no clear relationship between stricter council tax collection policies and higher council tax collection rates.⁹ Rather, the two main determinants of collection rates were the generosity of the authority's Council Tax Support scheme – with more generous schemes seeing higher collection rates – and the levels of poverty in the local area.

The changes we set out in our response are also likely to command strong public support:

- Among people in England who expressed a view, **more than two thirds (68%) think their local council should be doing more to help people who are struggling to pay their council tax bill.**¹⁰
- Among people in England who expressed a view, **more than seven in ten (72%) say they would support the Government changing the law so people can no longer be sent to prison for non-payment of council tax.**¹¹

⁹ Policy in Practice (2020) [Council Tax debt collection and low-income Londoners](#)

¹⁰ Research commissioned by the Money Advice Trust and conducted by YouGov Plc. Total sample size was 2,481 adults. Fieldwork was undertaken between 19th – 20th August 2025. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+). Sample size for this question was 1,465 adults in England who expressed a view on this question (i.e. excluding those who selected 'Don't know').

¹¹ Money Advice Trust research, conducted by YouGov (see full reference in footnote 10). Sample size for this question was 1,763 adults in England, excluding those who selected 'Don't know'.

- Among people in England who expressed a view, two in five (38%) think bailiffs should **never** be used to collection council tax debts. More than half (56%) think bailiffs should be used to collect council tax debts, but only as a last resort.¹²

Finally, we would particularly highlight the importance of local council tax support schemes in actually preventing debt in the first place, and in ensuring council's budgets are not based on recouping council tax payments that are not affordable in the first place. We would urge the Government to increase funding for these schemes, to enable every local authority in England to offer 100% support to eligible working age residents (see question 32).

Independent regulation of enforcement agencies and firms

We recognise that this consultation does not wish to concentrate on reforms to enforcement agency action, although this is intrinsically part of the collections process for council tax, with evidence showing significant need for improvements in this area.

We very much support the proposals from government to legislate to provide statutory underpinning for the regulation of enforcement agents and enforcement firms. We have recently submitted a detailed consultation response to the Ministry of Justice as part of the Taking Control campaign.¹³ We warmly welcomed this consultation, as it indicated that the Government has concluded that it is necessary to legislate to ensure that all individuals and firms using the Taking Control of Goods Procedure are regulated to the same standards, overseen by the same independent body.¹⁴ We would strongly encourage all local authorities to continue to engage constructively with the Enforcement Conduct Board.

¹² Money Advice Trust research, conducted by YouGov (see full reference in footnote 10). Sample size for this question was 1,592 adults in England who expressed a view on this question (i.e. excluding those who selected 'Don't know').

¹³ Taking Control: The campaign for bailiff reform. For more information see [the website](#)

¹⁴ The Taking Control Coalition (2024) [response](#) to the Ministry of Justice Enforcement Sector Regulation consultation

Summary of evidence sources used in this response

Throughout our response we draw on a wide range of insight and evidence. This is referenced throughout, however for ease we have also summarised the key pieces of Money Advice Trust evidence here.

Nationally-representative research with adults across England – awareness of support and experiences with council tax

We commissioned YouGov to conduct nationally representative research with 4,325 adults in England, to explore their awareness of different forms of support related to council tax, as well as experiences of council tax debt. Fieldwork was undertaken between 20th - 22nd August 2025 and the survey was carried out online. The figures have been weighted and are representative of all adults in England (aged 18+).

Nationally-representative research with adults across the UK – opinion on government

We also commissioned YouGov to conduct nationally representative research with 2,481 adults across the UK, to understand levels of support and opposition to potential actions that government and councils could take to improve collection and enforcement practices. Fieldwork was undertaken between 19th – 20th August 2025 and the survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+). Within the response, we typically refer to results based just on the sample of adults in England, included in the research. The exact sample size for each question is referenced in the relevant footnote.

Survey of National Debtline and Business Debtline clients with council tax debt

At the Money Advice Trust, we run National Debtline and Business Debtline – providing free debt advice over the phone, webchat and online. In 2024, at National Debtline we helped 118,300 people over the phone and online, and 32,200 people via webchat. At Business Debtline, we help small business owners and self-employed people with both their personal and business finances. In 2024, we helped 37,800 self-employed people over the phone, and 15,400 via webchat.

To inform this consultation response, we conducted a bespoke survey of National Debtline and Business Debtline clients with council tax debt. All the clients surveyed live in England and had contacted us between October 2024- July 2025. In total, we received 802 responses. Exact sample sizes vary by question and are referenced in footnotes throughout.

National Debtline and Business Debtline client data

Our client records contain demographic and debt information for most of the people we help through National Debtline and Business Debtline. We have used this in the response to demonstrate the financial and wider situation of our clients with council tax debt. Unless otherwise specified, this is based on National Debtline and Business Debtline clients who contacted us between 1 October 2024 – 31 August 2025.

Freedom of Information Request to local authorities in England

As part of our Stop the Knock research series, we have issued Freedom of Information requests on debt collection practices to all local authorities in England and Wales. We have conducted these bi-annually between 2014/15 and 2018/19. We then conducted a further FOI for the tax year 2022/23, in partnership with the Centre for Social Justice. These FOI requests covered a range of debts owed to councils, including council tax, and asked about the number of debts passed to bailiffs as well as about council tax collection practices.

In 2025, we conducted a further FOI on bailiff use for council tax debts only, for tax years 2023/24 and 2024/25. The FOI also asked each council whether they exempted Local Council Tax Support recipients from bailiff action. We received responses from 293 local authorities in England (99%), with just three local authorities not responding within the research period, which in all cases was longer than the statutory timeframe of 20 working days.

For the purpose of this response, we refer to findings from local authorities in England only. For more information and the full results, please contact us or visit www.stoptheknock.org.

Responses to individual questions

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 very much support the proposal to amend the regulations to give people the right to pay council tax bills in 12 months as a standard approach. We believe that this measure will help people to budget more easily, bringing the payment schedule in line with other utilities, and to make payment of their household bills easier.

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 agree that 12-month instalments should be the default approach but welcome the proposal to give people the right to request to pay their council tax in ten monthly instalments if they wish. We think it makes sense to reverse the current approach where people have to make a special request to pay their council tax over 12 months.

Question 3: What impacts, if any, do you think this change will have on local authority's' cash flow and ability to pay precepting authorities? [Local Authorities and other interested parties]

As a debt advice charity, we are not in a position to answer this question.

Question 4: Do you feel you have a good understanding of how council tax revenue is used by your local authority?

As a debt advice charity, we cannot comment on this from the perspective of an individual. However, we recognise that the information that councils must include on council tax bills can be complex and confusing as much of it is technical in nature.

Question 5: Do you agree further information should be provided on how council tax is spent? Why/Why not? How should this information be presented?

It is of course important that the work of local authorities is transparent, and people should be able to see how their council tax is spent. In general, we recommend that councils use simple, plain English wherever possible to make information easier to understand, and with clear calls to action for the reader and contacts at the council for further information if needed.

People should be able to request a full breakdown of how their council tax is spent. This should be available to be requested in different ways, to be sent out in printed format, emailed as an online document or accessed via an online link that provides layered information.

We would draw your attention to the work being done in relation to the layering of information online, such as the work of Amplified Global through the FCA digital sandbox.¹⁵ The intention is to improve intelligibility of complicated regulatory communications and enhance understanding. This could be a useful principle for MHCLG to adopt when issuing rules or guidance to local authorities on the information presentation requirements.

Furthermore, we know that Salford Council makes use of clear communications with their residents.¹⁶ This can help to identify requests for support at an earlier stage. Letters that explain processes in plain English, and what services council tax is used to fund should be encouraged beyond the Salford example.

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?

Note: We are responding to this question from our perspective as a debt advice charity, based on our evidence of people's understanding of support and how to claim this, rather than as an individual perspective.

Our evidence shows low levels of awareness and understanding of different forms of support with council tax bills among adults in England.

Local Council Tax Support / Council Tax Reduction

Half (49%) of adults in England have **not heard of Local Council Tax Support / Council Tax Reduction**, and a further quarter (23%) have heard of it but don't know anything about it.¹⁷

Even among groups who are more likely to be eligible for this support, awareness of Local Council Tax Support / Council Tax Reduction schemes is low.

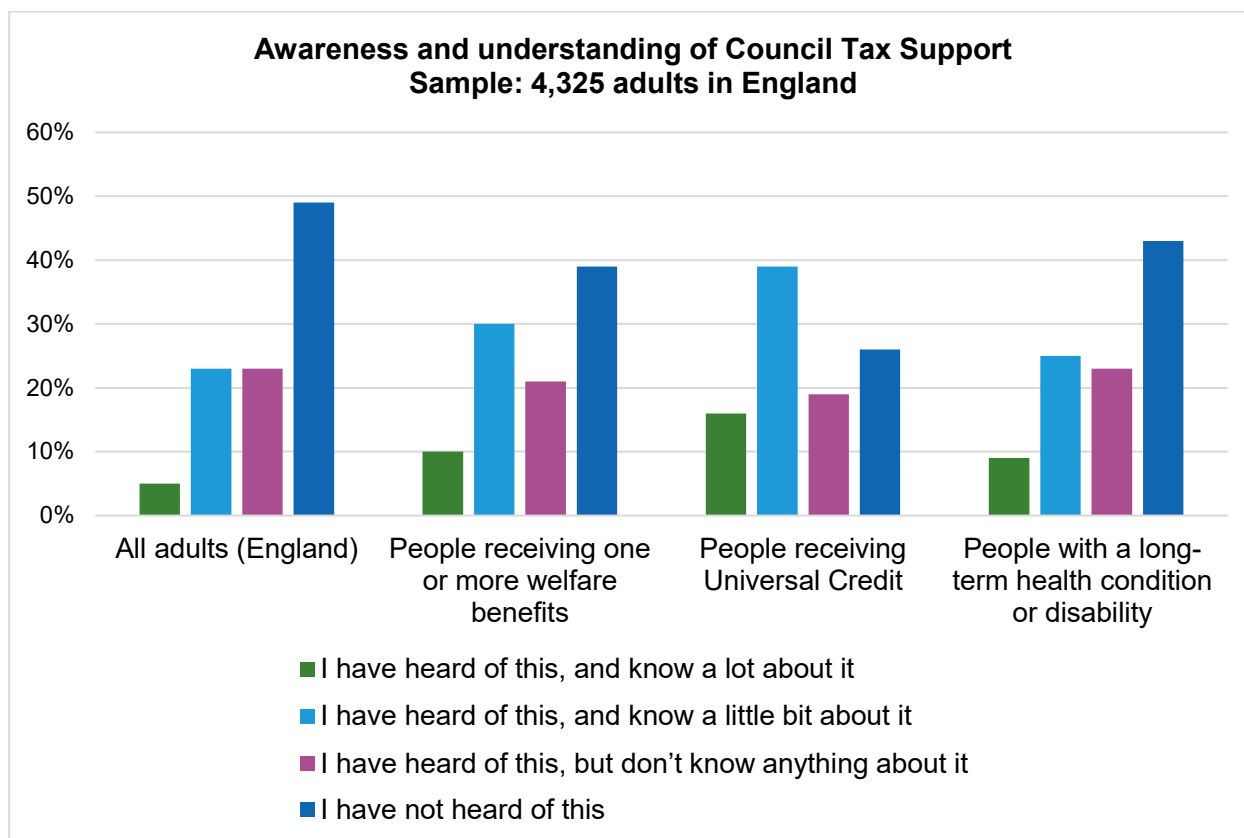
¹⁵ Amplifi Global and the FCA regulatory sandbox [Amplifi | About Us](#)

¹⁶ MHCLG (2021) [Council Tax Collection Best Practice Guidance](#)

¹⁷ This statistic, and all statistics related to awareness of support taken from nationally representative research of 4,325 adults in England. The survey was commissioned by the Money Advice Trust and conducted by YouGov Plc. Fieldwork was undertaken between 20th - 22nd August 2025. The survey was carried out online. The figures have been weighted and are representative of all adults in England (aged 18+).

This is worrying, given that these groups should, and need to, have greater awareness of the support they may be entitled to. For example, **only one in ten people with a long-term health condition or disability (9%) said they have heard** of Local Council Tax Support / Council Tax Reduction and know a lot about it.

While awareness is slightly higher among **people receiving Universal Credit, still a quarter (26%) have never heard of it**. A further one in five (19%) have heard of it but don't know anything about it. The full results are displayed in the chart and table below.



Awareness and understanding of Council Tax Support

Sample: 4,325 adults in England

	All adults (England)	People receiving one or more welfare benefits	People receiving Universal Credit	People with a long-term health condition or disability
I have heard of this, and know a lot about it	5%	10%	16%	9%
I have heard of this, and know a little bit about it	23%	30%	39%	25%
I have heard of this, but don't know anything about it	23%	21%	19%	23%
I have not heard of this	49%	39%	26%	43%

This lack of awareness is clearly worrying and leads to significant underclaiming. Policy in Practice found that of locally administered benefits, there was 2,254,099 claims for council tax support missed out on in 2024 to 2025.¹⁸ In addition free school meals and health start schemes were also going unclaimed as well as council tax discounts. Their evidence reflected our own: that there is a lack of awareness that localised benefits exist or an assumption that that individual would not be eligible. The complexity of applying for different benefits, and navigating complex criteria were also found to be barriers to claiming.

We are strongly of the view that the localisation of council tax support has made it more confusing for individuals as to the support available, whether they are eligible, and how to claim this. This is exacerbated by inconsistencies between different schemes. The Policy in Practice report *Missing out*,¹⁹ found a fragmented picture with now 350 local schemes in place. In comparison, Wales and Scotland both run a national council tax reduction scheme with less scope for variation by local authorities.

This also has the implication of making it harder for national charities, like us, to give advice on the individual aspects of a particular council's council tax support policy, and to advise people whether they may be eligible. It can be challenging for us to understand and be clear with our clients, as to what help is available to them in their area.

How to tackle underclaiming and increase people accessing support

To address these issues, we strongly recommend that Universal Credit claims automatically generate a claim for council tax support. In Wales, the Welsh Government has already acted to put in place a mechanism from April 2025 to allow that a person in receipt of Universal Credit may be recognised by a council as having made an application for a council tax reduction.²⁰ We strongly support this move, and would like to see this replicated in England.

Ensuring data is shared proactively with local government is crucial and we would support the Universal Credit application form having a default of people 'opting in' to express interest in claiming council tax support. This would increase the flow of data to local authorities and reduce complexity for claimants and administrators.

We understand some local authorities are already using the notification from DWP that someone has claimed Universal Credit, to automatically process a council tax support claim for that individual.²¹ However, we need to see this across all local authorities. We also understand there are challenges in terms of the data local authorities are able to access from DWP, which need to be addressed, to enable them to automate claims for all eligible people receiving benefits (such as pre-existing Universal Credit claimants and for legacy benefit claimants).

¹⁸ Policy in Practice (2024) [Missing out 2024](#)

¹⁹ Ibid

²⁰ The Welsh Government (2024) [Written Statement: The outcome of the consultation on changes to the council tax reduction scheme; The Council Tax Reduction Schemes \(Prescribed Requirements and Default Scheme\) \(Miscellaneous Amendments\) \(Wales\) Regulations 2025](#)

²¹ Citizens Advice (2024) [Council Tax Support? A benefit determined by postcode not need](#)

Case study

Sara* sought advice from our National Debtline Service. She was really struggling with her application for Local Council Tax Support (LCTS). Sara was currently off work due to illness and was already receiving Universal Credit. Money was being taken out of her Universal Credit payments to repay her council tax arrears. Sara had submitted the LCTS forms to her council twice already.

We were able to refer Sara for casework to help her sort out the LCTS application, but had the process been automated, or an 'opt in' basis was implemented, Sara would have received the support she needed sooner.

**Name changed to protect identity*

Other options for increasing awareness of Local Council Tax Support include:

- **Utilising the council tax bill** to showcase the support available in the council and how to claim this. This should highlight benefits and income maximisation online calculator tools for people to use to ensure people are not missing out on vital financial support. There are many of these available free of charge to the public.²²
- Making **paper form applications** for LCTS readily available and widely publicised, to ensure people who are digitally excluded have better access to support.

Local authorities run wider support schemes such as the Household Support Fund, (to be replaced by a new Crisis and Resilience Fund), discretionary housing payments and local welfare assistance schemes, with a Scottish Welfare Fund in Scotland and the Discretionary Assistance Fund in Wales. These should be highlighted as available sources of help on council tax bills and local authorities should proactively target support.²³

Awareness of debt write-off processes (Section 13A)

Section 13A of the Local Government Finance Act 1992 allows for local authorities to use their discretion:

- to reduce your bill in part, or to zero; and
- to apply the discretionary reduction to:
 - your current year's bill; and/or
 - your previous years' arrears.

²² Examples of digital benefit tools include: [Turn2Us](#), [Policy in Practice](#), [Lightening Reach](#), [Entitledto](#)

²³ Policy in Practice (2023) [Evaluation of local welfare assistance Final framework](#)

This might be on the grounds of severe financial hardship, or difficulty paying due to exceptional circumstances. This application is subject to a right of appeal to the Valuation Tribunal if refused.

Awareness of this form of support is currently very low. **Three quarters of adults in England (75%) are not aware of any processes to write-off council tax debt.**²⁴ This number is similar for people struggling to pay their bills. Of people who missed a council tax payment in the last twelve months, 69% say they are not aware of processes to write-off council tax debt.

We understand that councils should have a policy that tells a resident how they make decisions on discretionary reduction applications. However, there needs to be consistency in place that requires local authorities to provide a policy on their websites, and an online application form, available in other formats. They should set out guidance on what the process is for an application and the evidence required.

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

We have set out our suggestions in our answer to question 6 above.

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 proposal to change the definition of the severe mental impairment disregard to align with the new definition being introduced in Wales of significant cognitive impairment.

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]

We agree that the proposed definition should be consistent with existing eligibility rules. We would expect the experience of the Welsh Government needs to be taken into account, alongside research into the equivalence of the new definition with the existing definition from a medical and legal perspective.

Question 10: Have you, or your family members, experienced any barriers to claiming this support? Please describe.

As a debt advice charity, we cannot answer this question.

²⁴ Nationally representative research of 4,325 adults in England, commissioned by the Money Advice Trust and conducted by YouGov Plc. Fieldwork was undertaken between 20th - 22nd August 2025. The survey was carried out online. The figures have been weighted and are representative of all adults in England (aged 18+).

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

As a debt advice charity, we cannot answer this question.

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

There are a variety of reasons why someone might not apply for the exemption. Clearly the terminology is not helpful, and the use of the term “severe mental impairment” is potentially a reason for people not to apply as it is hard to know if it applies to any particular individual.

The term also conveys an element of stigma that may be hard to overcome.

We expect that the existing term is hard to understand generally. It is also ambiguous in meaning. The new definition is clearer, but is still difficult to understand as it is not in simple English. This is a further reason why clear guidance, a simple pathway to claim and a universal claim form will be invaluable.

The wider barriers to access are numerous. In some instances, the information on how to apply is accessible and in some cases, it is hard to find on council websites, even if you are aware of the potential to apply. In order to even see how to apply, the applicants in one local authority need to sign up to the online council tax service with their council tax reference number, before they can see what the criteria are for an application, or the evidence required. This is a barrier for anyone who has significant cognitive impairment.

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

We believe the government should go further and introduce a **prescribed single form** in a **common format** which **must** be used by each council. Every local authority takes a different approach to how a claim should be submitted and what evidence is acceptable. In some local authorities we see a request for a letter from a doctor confirming entitlement, and in other local authorities a section of the application form must be completed by a doctor.

The government should also ensure that there is a consistent approach to backdating the disregard for anyone who is found to be eligible. This practice can vary according to the local authority, so can be unfair in its application with some councils not backdating the disregard at all. Local authorities should be required to take the same approach and backdate the discount to the date that the applicant would have been eligible for the disregard at the very least (this may be when someone was diagnosed or was in receipt of a qualifying benefit).

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 very much support the government providing a form which should be in a standard format using prescribed wording. We would go further and suggest that government should mandate local authorities in England to use the same form.

The process should replicate the approach adopted by the Welsh government following the MoneySavingExpert report, *The Disregarded Discount*,²⁵ which found a huge variation in support and take up of the SMI discount across councils.

The application form has been standardised across Wales and backdating of the disregard is required to be carried out by every local authority using the same rules, to the point of being severely mentally impaired (having a significant cognitive impairment).

The Welsh government has a dedicated webpage which sets out the eligibility criteria and how to claim.²⁶ This includes a link to a standard application form which includes a section to be completed by a doctor. It also allows a third party to make the application on the applicant's behalf.²⁷ However, it is also possible to ask your local authority for assistance.

All these measures could be applied in England, including a standardised application form available on www.gov.uk. There should be guidance for local authorities on how the information on eligibility criteria should be displayed on their website, and written information sources with links to the dedicated gov.uk website. Such information should be easy to access, and not be hidden away. It should be clear how a third party can assist with the application.

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

The disregards for carers and apprentices should be retained, but the thresholds increased immediately, and a mechanism put in place for these to automatically updated annually.

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

Clearly the current eligibility criteria for apprentices and carers are not appropriate given that the earnings threshold was last updated in 2006. The earnings threshold should be amended to match the National Minimum Wage for apprentices as uprated in April 2025. There should be an automatic mechanism in place to ensure that the threshold increases automatically with the National Minimum Wage rates. The eligibility

²⁵ MoneySavingExpert report (2017) [The Disregarded Discount](#)

²⁶ The Welsh Government webpage on [Council tax discounts and reduction](#)

²⁷ The Welsh Government (2021) [Council tax exemption/discount: severely mentally impaired application form](#)

thresholds for carers should also be updated immediately, and then on an annual basis going forward.

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 appreciate that some councils have adopted a disregard for care leavers in their local area but agree that this is limited if a care leaver can no longer claim the support when the move outside that council area.

We would therefore very much favour a nationally applicable prescribed disregard scheme for council tax for care leavers.

Question 18: Do you or anyone in your household fit into one of these cohorts? If so, what would be the impact of any new forms of support on your household?

As a debt advice charity, we cannot answer this question.

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

The requirement under the local Government Finance Act to send out the full bill plus background information by post unless you opt out, means a lot of leaflets and extra information has to be printed and distributed.

The information provided with a council tax bill is generally complicated and may not be easy for most people to read or process. We would like to see the information requirements under the legislation reviewed and updated to make these requirements more compatible with modern life.

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

We wonder if it would be reasonable to suggest that a simpler designed council tax bill in plain English should be provided digitally by default, alongside information on how to get help and support. This would need to be accompanied by a straightforward option for anyone to ask for the documents to be sent by post or provided in different accessible formats.

This could allow more complicated information to be provided online in a central hub, using links to “find out more” and allow for use of the information layering techniques mentioned above. This would reduce costs for sending out paper versions plus contribute to the green agenda.

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

We are also conscious of the issue of digital exclusion, and do not want to make it harder for residents who cannot access their bills online. While we see arguments for a digital by default approach (as set out above), this does risk excluding people.

An alternative solution would be that everyone receives the simpler bill information in the post (unless they opt out) with information on how to request the fuller information is sent out, or how to see further background statistics and spending information online, or in the library and other public access points.

Question 22: What are your views on the current process for challenging a council tax band? What changes, if any, should the government consider to the council tax band challenge process?

It is a complicated process to appeal to the Valuation Office Agency either formally if certain criteria are met, (with a right of appeal), or informally (where there is no right of appeal). The time and energy and determination required to follow the steps correctly, and to obtain the relevant evidence is going to be daunting to many people.²⁸ In particular, the process will be beyond the reach of many people in vulnerable circumstances who are dealing with other complex issues in their lives.

This is really a wider question as to the validity of council tax banding and the current valuation process in England. We understand that there were flaws in the original valuation process that leave some households in the wrong band and overpaying (or underpaying) council tax as a result.

We note that these valuations have not been reassessed since council tax was introduced in 1991, but that the Welsh Government reassessed all homes in 2005. We would urge the government to solve the ongoing problem with valuations by carrying out a nationwide revaluation to ensure everyone is paying a fair amount.

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:

Please explain your answer.

After 90 days

As a debt advice charity, we support people who are struggling to pay their council tax bills alongside other priority debts. The speed at which someone can become liable for the full council tax bill can have a huge impact on people struggling financially.

²⁸ MoneySavingExpert (2025) [How to check and challenge your council tax band](#)

Our evidence, set out in **box 1** below shows clearly the negative effect making someone liable for their entire annual bill has, over giving them time to repay the specific missed payments.

Quickly making people liable for their entire annual bill also fails to recognise the financial situation of the majority of people with council tax arrears, who are concentrated among lower-income households and those with characteristics of vulnerability. For example, previous research by the Centre for Social Justice found that:

- 47% of households who are behind on their council tax are in relative poverty, (defined as 60% of the net median household income after housing costs).²⁹
- 28% of households with council tax arrears say they could not afford any unexpected bill at all, rising to over half (55%) who say they could not afford anything over £100. This is compared to just 8% of all households who say they could not afford any unexpected bill.³⁰

Many people in council tax arrears are also struggling with wider debt issues. Our research found that, among people who had missed a council tax payment in the past 12 months:

- 50% had also missed a payment on their energy bill.
- 46% had missed a payment on their water bill.
- 30% had missed a rent payment.³¹

Furthermore, our research found certain groups were significantly more likely to have missed a payment on their council tax in the past 12 months:³²

- **People receiving Universal Credit:** five times as likely to have missed a council tax payment (15%), compared to general population (3%)
- **People receiving disability benefits:** more than three times as likely to have missed a payment (10% v 3%)
- **Private renters:** more than twice as likely to have missed a payment (7% v 3%)
- **People living in social housing:** three times as likely to have missed a payment (12.5% v 3%)
- **Parents of children under 18:** more than twice as likely to have missed a payment (7% v 3%)

²⁹ Centre for Social Justice (2024) [Still Collecting Dust: Ensuring fairness in council tax collection](#)

³⁰ Ibid

³¹ Nationally representative research of 4,325 adults in England, commissioned by the Money Advice Trust and conducted by YouGov Plc. Fieldwork was undertaken between 20th - 22nd August 2025. The survey was carried out online. The figures have been weighted and are representative of all adults in England (aged 18+). Based on 116 people who had missed council tax payment in past 12 months.

³² Money Advice Trust research, conducted by YouGov (see full reference in footnote 31)

- **People who are unemployed:** three times as likely to have missed a payment (9% v 3%)
- **Receiving partial Local Council Tax Support:** three times as likely to have missed a payment (9% v 3%).

The council tax collection process must reflect the reality of the financial situations of people who are falling behind. We therefore support the government putting in place the longest possible timeframe between a reminder notice and full liability for the bill. This will help to enable people to make an arrangement to pay and potentially get back on track with their council tax bill. **We believe that a liability order should only be applied for after an extended timeframe of 90 days.**

This would give more time for people to:

- get help with income maximisation, such as claiming benefits, claiming council tax support and check eligibility for council tax deductions;
- seek support from their council to arrange to pay back the arrears;
- allow the council to look at what vulnerability support needs to be put in place;
- seek help and support with vulnerable circumstances such as bereavement or illness;
- get free debt advice support to put together a financial statement and make an offer of payment on the arrears;
- seek grant support or help from other charities where necessary; and
- it will enable people with multiple debts to put together a plan on how to deal with these, especially where there are competing priority payments to deal with.

There should of course be the ability for local authorities to hold action and not proceed to the next stage. We believe that this timeframe should be extended in particular cases beyond the 90 days, where someone is engaging with their council and is putting in place a payment arrangement or is in particularly vulnerable circumstances.

Box 1: Evidence on the impact of making people liable for their entire annual bill³³

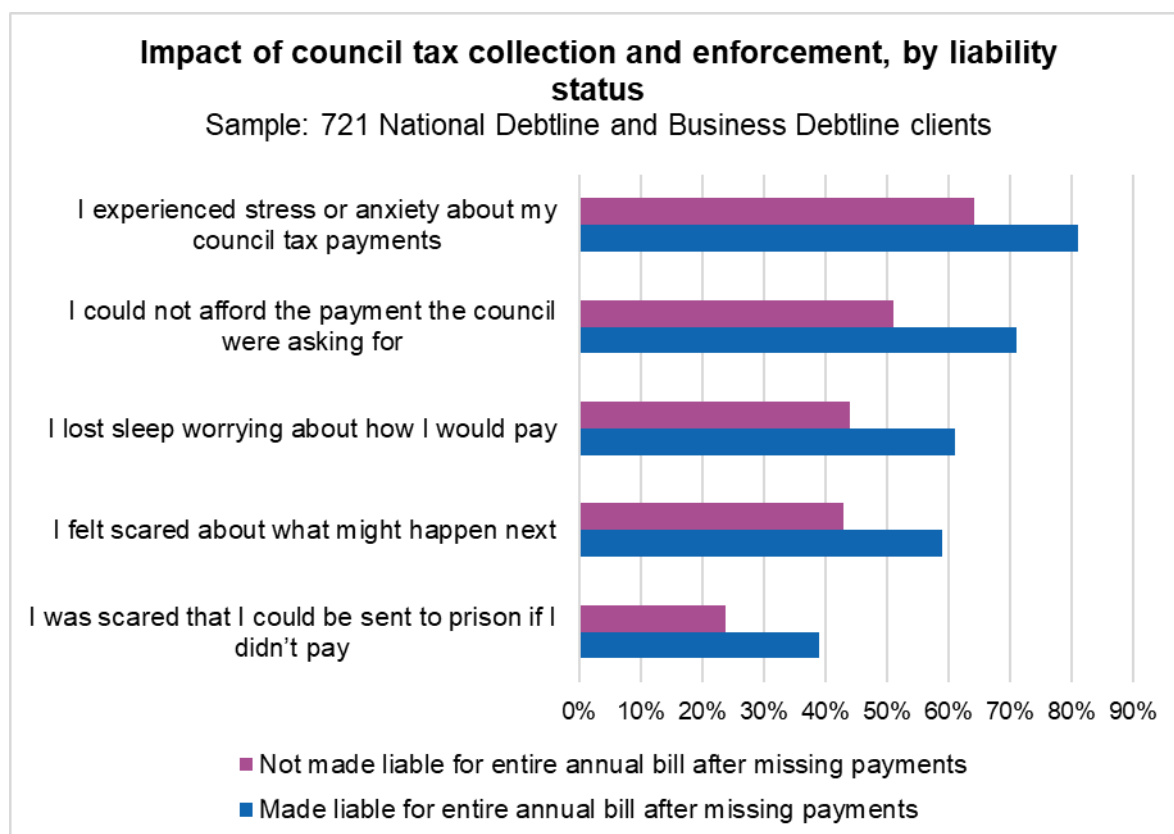
Our research with National Debtline and Business Debtline clients, who had council tax debt, found that:

- Three in five (61%) were made liable for their entire annual bill at some point after missing payments.
- Two in five (39%) said this happened after missing just one payment.

³³ All results in this box taken from Money Advice Trust survey of people helped by National Debtline and Business Debtline between October 2024 – July 2025, who had council tax debt. Fieldwork conducted online, in August 2025. In total we received 802 responses. Sample for each question shown in each chart.

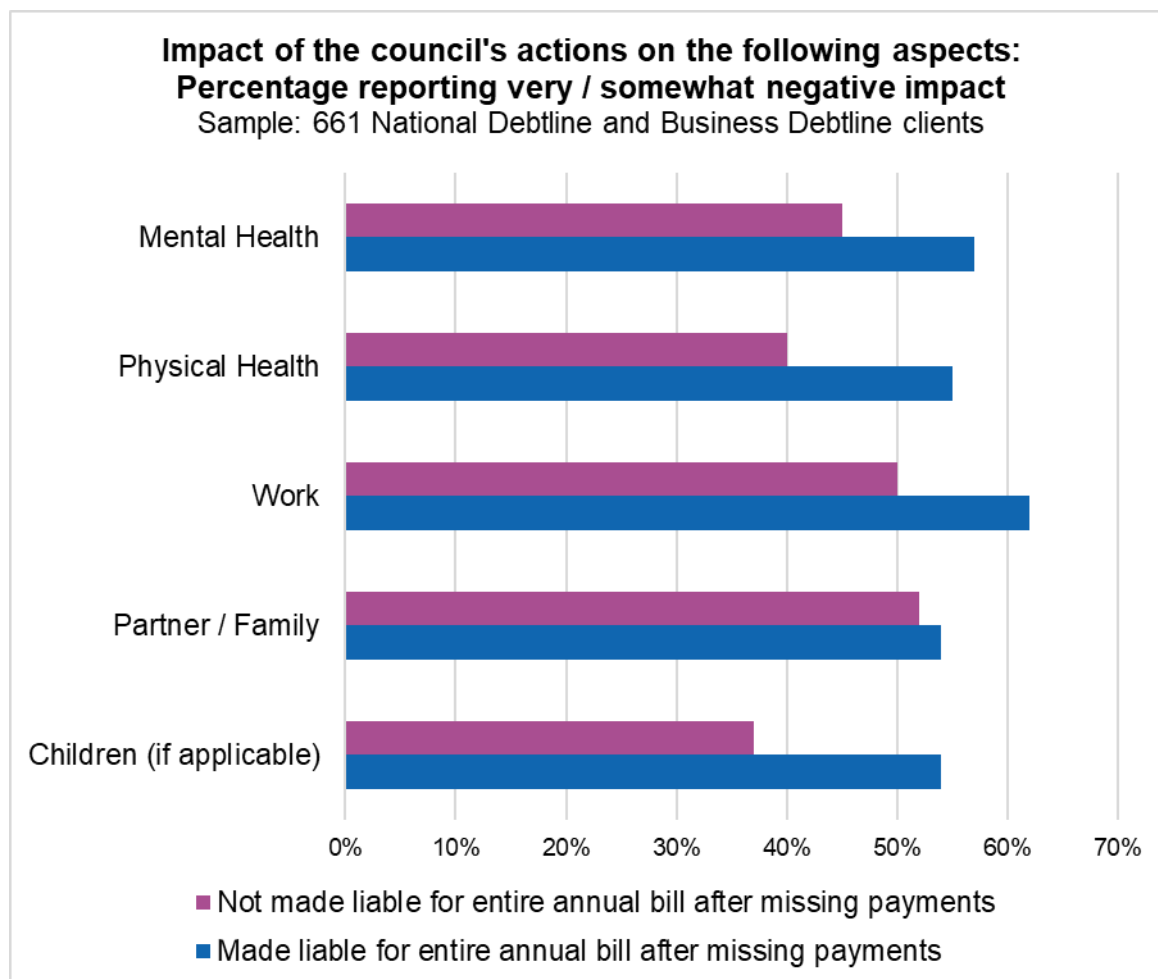
Our research found a correlation between being made liable for the entire annual bill (at any point) and a more negative impact on people's health and wellbeing. In other words, being made liable for the entire annual bill appears to worsen the impact on people, and the outcomes they have, than when a council doesn't take this step.

As the below graph and accompanying data table show, people who were made liable for their entire annual bill (at any point) were more likely to report stress or anxiety, struggling to sleep, feeling scared and being unable to afford payments demanded.



	Made liable for entire annual bill after missing payments	Not made liable for entire annual bill after missing payments
I experienced stress or anxiety about my council tax payments	81%	64%
I could not afford the payment the council were asking for	71%	51%
I lost sleep worrying about how I would pay	61%	44%
I felt scared about what might happen next	59%	43%
I was scared that I could be sent to prison if I didn't pay	39%	24%

People who were made liable for their entire annual bill were also more likely to report a negative impact across all areas of their life asked about:

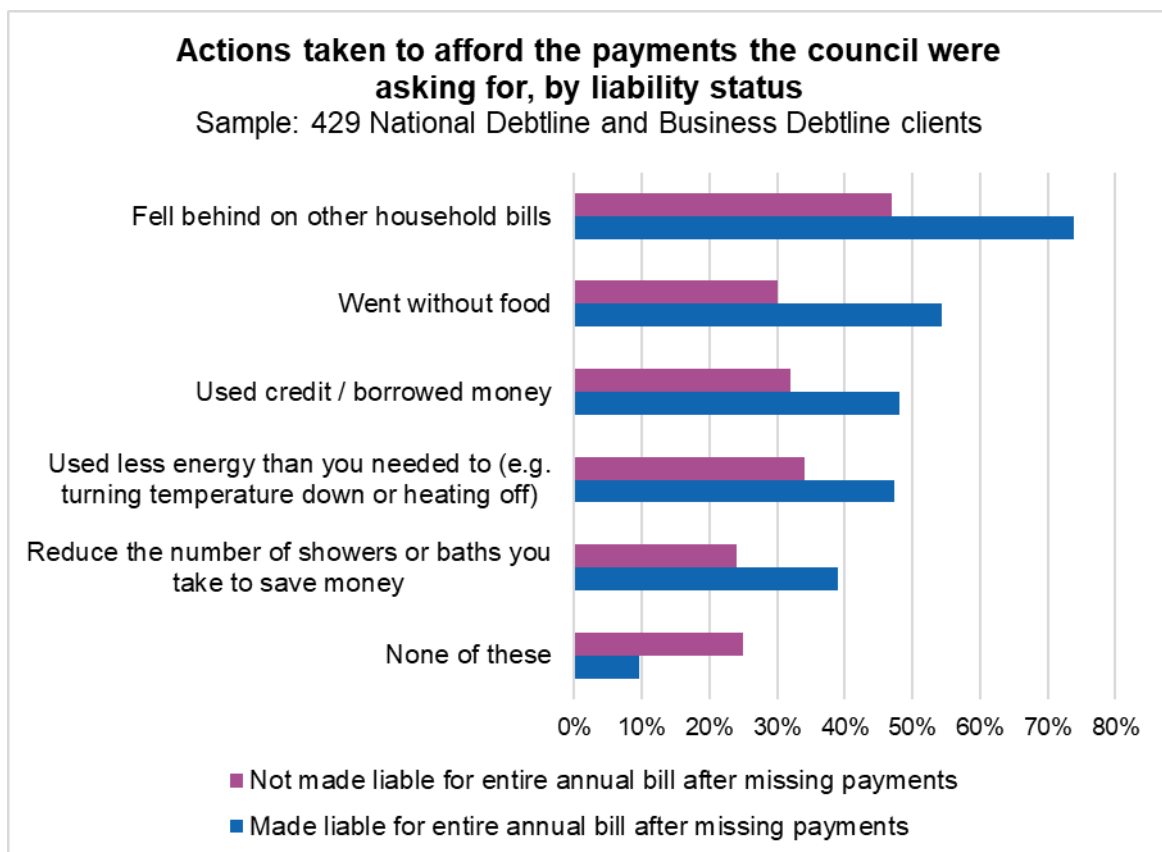


	Made liable for entire annual bill after missing payments	Not made liable for entire annual bill after missing payments
Mental Health	57%	45%
Physical Health	55%	40%
Work	62%	50%
Partner / Family	54%	52%
Children (if applicable)	54%	37%

Finally, people made liable for their entire annual bill were also more likely to report having to take significant measures to make the payments the council were asking for. Some of these, such as going without food and using less energy than needed are likely to have a material effect on people's health, potentially creating knock-on costs for councils and local health services. People who were made liable for their entire annual bill were also 27 percentage points more likely to report falling behind on other household bills in order to make payments to the council, making their financial situation and debt problems worse:

- **Three quarters (74%)** of people made liable for their annual bill said they **fell behind on other household bills** in order to make their payments to the council.
- Two in five (42%) **used credit or borrowed money** to make the payments.
- More than half (54%) **went without food**, 41% **used less energy** than they needed to, and a third (34%) **reduced the number of showers or baths** they took.

Just one in ten people (10%) who were made liable for their annual bill said they did not have to take any of the steps listed in order to afford their payments to the council.



	Made liable for entire annual bill after missing payments	Not made liable for entire annual bill after missing payments
Fell behind on other household bills	74%	47%
Went without food	54%	30%
Used credit / borrowed money	48%	32%
Used less energy than you needed to (e.g. turning temperature down or heating off)	47%	34%
Reduce the number of showers or baths you take to save money	39%	24%
None of these	10%	25%

Case study

Nikita* sought advice from our National Debtline service, as her local authority passed her council tax debt to an enforcement firm. Nikita was in a domestic violence relationship, with the violence continuing after the relationship ended. Nikita suffers from severe anxiety as a result.

The enforcement firm advised Nikita to ask the local authority to take the debt back due to her vulnerabilities. When she informed the local authority of their vulnerabilities and made their request, Nikita was ignored and told there was nothing that could be done in this situation.

We advised Nikita that the local authority **does** have the power to take the debt back, and should have a vulnerability policy they must abide by. Due to her negative experience, Nikita did not feel able to contact the local authority again.

**Name changed to protect identity*

We acknowledge that plenty of local authorities do take longer to take cases to the liability order stage, than the current regulations require. We also acknowledge that there is good practice in a range of local authorities in how they help their residents who have fallen behind. However, there remains an inconsistency in approach, and a mixed picture across different local authorities in practice. Our research with adults in England who had missed a council tax payment in the last 12 months found that one in five (21%) faced a demand for their entire annual bill after **missing just one payment**.³⁴

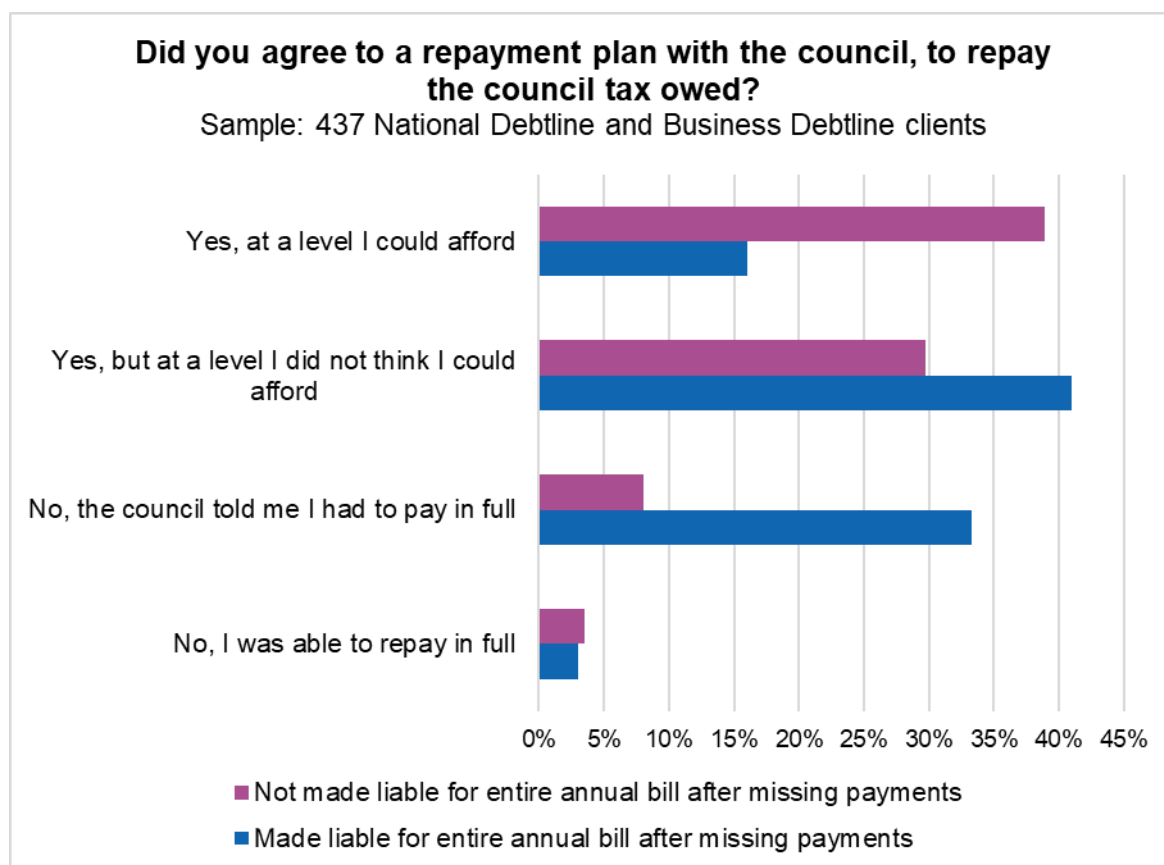
³⁴ Nationally representative research of 4,325 adults in England, commissioned by the Money Advice Trust and conducted by YouGov Plc. Fieldwork was undertaken between 20th - 22nd August 2025. The survey was carried out online. The figures have been weighted and are representative of all adults in England (aged 18+).

Among people we support through our debt advice services, the figures were even higher. **Two in five National Debtline and Business Debtline clients surveyed (39%) said their council asked them to pay their full year's bill after just one missed payment.**³⁵

We therefore believe it is vital that the regulations are updated to ensure that there is consistency of approach across all local authorities. This will help ensure that people who fall behind with their council tax are given time to deal with their debt and put a payment arrangement in place, get debt advice, and advice on council tax support.

Our evidence suggests this would not have a negative impact on councils or their ability to collect debts. Indeed, our research suggests that it is more likely the council and the individual will agree to a sustainable repayment plan when people are **not** made liable for their entire bill.

Where people **were not made liable** for their annual bill, 43% were able to either pay in full or agree a repayment plan at a level they could afford.³⁶ However, among people made liable for their annual bill, that figure drops to just 19%. These figures highlight how not making someone liable for their annual bill can lead to better outcomes for both people in debt and for councils, increasing the likelihood that a sustainable repayment plan will be put in place, and completed.



³⁵ Money Advice Trust survey of people helped by National Debtline and Business Debtline between October 2024 – July 2025, who had council tax debt. Fieldwork conducted online, in August 2025. Sample size for this question was 745 people.

³⁶ Money Advice Trust survey (see full reference in footnote 35). Sample size: 437 respondents.

	Made liable for entire annual bill after missing payments	Not made liable for entire annual bill after missing payments
Yes, at a level I could afford	16%	39%
Yes, but at a level I did not think I could afford	41%	30%
No, the council told me I had to pay in full	33%	8%
No, I was able to repay in full	3%	4%
Don't know	7%	20%

Given this evidence, and as set out above, we are strongly of the view that a liability order should only be applied for after an extended timeframe of 90 days, with an option and expectation that the timeframe should be extended in particular cases beyond the 90 days, where someone is engaging with their council and is putting in place a payment arrangement or is in particularly vulnerable circumstances.

The only final thing we'd note is that there may be some instances where it is clear that the remaining bill for the year is unaffordable for the individual, and it is unlikely they are going to be able to pay it. This might occur when someone has fallen ill, and is having to take time off work, when someone has lost their job and needs time to find a new one, or any other circumstance that is going to significantly affect the person's ability to afford their bill for the remaining tax year. In these instances, we would still expect councils to be looking at how to write-off or significantly reduce the remaining bill via their discretionary powers, and would not want to see an extended liability order period preventing this, or being used as a reason not to do so. This might also be the case where someone is going into a Debt Relief Order (DRO), as a solution for dealing with their debts, and they need to include the remaining year's bill – in recognition they will struggle to pay this.

Quotes from National Debtline and Business Debtline advisers, regarding the impact of making people liable for their entire annual bill

“The quick escalation process, leading to clients being liable for their entire annual bill immediately, can lead to a feeling of despair as they are often faced with an insurmountable challenge. Almost all of our clients are already facing many financial issues, scraping to get by from month-to-month. Arrears that were initially a few hundred pounds, which would be repayable with an affordable arrangement, often within the same financial year, quickly escalate to over £1000, and clients are asked to pay this off in full, or risk further enforcement. This is something that people in debt simply cannot do. Escalating debts in this fashion simply overwhelms clients further”.

National Debtline team manager

“The fast escalation of council tax debts can certainly have a significant impact on someone’s ability to resolve the matter. We often see them get called in after a couple months’ worth of missed payments and escalation to a liability order and enforcement in a very short space of time. These added enforcement and court fees just add on further financial strain for somebody already facing hardship. Additionally, someone can go through a very temporary stint of financial difficulty and find themselves with a large lump sum to pay. This can make it much more challenging to deal with other debts or repayments they may have scheduled and can have a huge snowball effect on their wider circumstances and their wellbeing”.

Business Debtline adviser

“When people fall into financial difficulty, rather than [the council] just trying to deal with arrears, the problem is compounded by calling the whole amount in in one go. This obviously means that straight away the client is dealing with a larger debt, (on top of one they already could not pay). It also allows enforcement action to begin and is acted upon very quickly and can greatly add to stress, anxiety and depression”.

Business Debtline team manager

“It can be quite daunting having the whole council tax bill called in for the year as it is a substantial amount of money and usually the council want to be paid quite quickly or the matter can escalate. Usually, people have missed payments due to various reasons such as bereavement, vulnerabilities or an income shock so it can be difficult to amass such a large amount of money in a short period of time.”

Business Debtline team manager

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.

The current regulations mean council tax arrears and the collection process escalate quickly and it can be difficult for people to negotiate affordable repayment plans. We very much agree with the points made in the consultation paper.

“The government believes that aggressive recovery action has been applied too quickly and too intensely in some cases. In certain cases, it is also counter-productive, leading to payments which are unmanageable, causing significant stress and hardship for taxpayers and, depending on what recovery action is taken by councils, leading to costs being incurred without successful tax recovery. The government therefore believes that this approach is not sustainable for taxpayers or councils.”

Our evidence reinforces this view: just one in five National Debtline and Business Debtline clients (21%) said they were able to agree a repayment plan with their council at a level they could afford.³⁷ 3% were able to repay in full. Two in five (37%) said they agreed a repayment plan but at a level they did not think they could afford. Such arrangements are unlikely to be sustainable and will typically fail before completing, a bad outcome for both the individual and the council. A quarter of respondents (25%) said they were unable to agree a repayment plan because the council told them they had to pay in full – something most people can't afford to do.

As the consultation paper implies, we do not believe the current fast escalation of council tax collection and enforcement processes serves either councils or people in debt, well. As set out below, we think there are a number of steps councils could take before liability orders, to enable them to better segment their residents owing council tax and adapt collection practices to their circumstances. Evidence from councils who have adopted different approaches shows there are better, more effective approaches that could be embedded more consistently across the country, with more steps being taken before moving to a liability order.

For example:

- Barking and Dagenham council tested a new approach for people who had multiple council debts (including council tax) and additional vulnerabilities (such as a mental health condition). Instead of the usual collection route, they piloted a support offer (via text and call). The approach proved successful, with the support-first approach actually leading to additional money being generated in repayments, and reduced enforcement action against this group.
- Runnymede Borough Council introduced a new Corporate Debt and Financial Inclusion programme. This combined a number of measures, including a single view of debt (enabling the team to see where multiple debts to the council were owed) and better data analysis to help identify what may have caused the council tax debt, as well as whether there were any known vulnerabilities. This enabled the council to tailor their collection processes.

³⁷ Money Advice Trust survey of 802 people helped by National Debtline and Business Debtline between October 2024 – July 2025, who had council tax debt. Fieldwork conducted online, in August 2025.

Runnymede also introduced a financial calculator to identify unclaimed income that residents might be eligible for. Early indications from the pilot showed increasing collection rates, thanks largely to the income maximisation impact and due to more affordable arrangements being set up, which were not then defaulted on. The council reported revenue growth of £50,000 across the 12-month pilot and noted that the increased income covers costs of the software and staff resources.³⁸

- Hammersmith & Fulham Council launched implemented an ‘ethical debt collection scheme’ in 2017 – with a brief to save public funds by relying much less on bailiffs, and helping residents avoid debt in the first place. In April 2018, the council announced an end to external bailiff action, and a move towards applying FCA standards within the public sector.
- 34 councils in England currently exempt local council tax support recipients from bailiff action, in recognition that their financial situation makes it likely they may struggle to afford their bill.

These examples show a different approach to council tax collection is possible, and we appreciate the steps a number of councils are taking to improve their practices, often under considerable budgetary pressures. Unfortunately, in the absence of changes to council tax regulations, the spread of best practice across the country has been too slow and too slight. For example, we asked more than 550 National Debtline and Business Debtline clients with council tax debt to describe their experience with the council in their own words, and ran this through AI sentiment analysis. More than four in five (83%) of responses were of negative sentiment (11% were positive and 6% were neutral).³⁹

We are sure that many councils would ideally like to take a more supportive approach in their council tax collection processes and to only use bailiffs as a last resort. However, widespread change and adoption of better processes is being hampered by outdated regulations, the focus on collection rates over other measures, and the wider funding crisis facing local authorities.

This means there is a critical role for central government to play in driving change, and creating the conditions for a reformed approach to council tax collection and enforcement; one that fits with the context of council tax arrears today, where the vast majority of people who are behind are in financial difficulty.

³⁸ LGA and Runnymede Council (2024) [Holistic approach to debt recovery case study](#)

³⁹ Responses taken from survey of people helped by National Debtline and Business Debtline between October 2024 – July 2025, who had council tax debt. Fieldwork conducted online, in August 2025. Based on 557 responses to free text question “In a few words, how would you describe your experience with the council, in dealing with your council tax debt?”. Responses were analysed via survey software’s AI tool to determine their sentiment as either negative, neutral or positive.

Introducing a Council Tax Pre-action Protocol

We therefore think the Government should introduce a statutory Council Tax Pre-action Protocol within the regulations, which would set out the steps a council should take before moving to a liability order. Enacting such a protocol would require only a simple statutory instrument, or it could also be achieved by updating the current good practice guidance and putting this on a statutory footing. Such a protocol would build on the success of these in other areas – such as the pre-action protocol for recovering debt in the county court, which has been in place since 2015⁴⁰ and the pre-action protocol for possession claims by social landlords, which local authorities will already be familiar with.⁴¹ Whilst the requirements for a pre-action protocol relating to council tax recovery might look different in content, the principles of good practice debt recovery and allowing time for negotiation, advice, and vulnerability assessments will apply.

Ideally a council tax pre-action protocol should require councils to take the following steps before seeking a liability order (note, the steps here are not presented in a particular hierarchy or timeframe order).

✓ Check for any vulnerabilities affecting the individual / their household

Understanding people's circumstances enables councils to better tailor collection processes. While our research found 58% of councils in England say they will conduct an assessment of vulnerability before seeking a liability order, in the majority of cases they said they would only do so if a resident proactively got in touch to ask for this.⁴²

Just 14% of National Debtline and Business Debtline clients who had an additional vulnerability said their council took their personal circumstances, including any vulnerabilities, into account when dealing with their council tax debt.⁴³ We recommend that councils be proactive in establishing a resident's circumstances, including using data from across the council. Ideally, central government departments should also make data available to assist with this.

✓ Attempt to set up an affordable repayment plan using the Standard Financial Statement (SFS)

The SFS is an independently agreed approach to assess ability to pay, run by the Money and Pensions Service. We believe no council should move to seek a liability order without attempting to set up a genuinely affordable repayment plan first. Our Freedom of Information request found just 50 local authorities in England have adopted the SFS.⁴⁴ Meanwhile, just a quarter (24%) of National Debtline and Business Debtline clients surveyed said their council offered them the option to repay over time in amounts they could afford.⁴⁵

⁴⁰ Ministry of Justice [Pre-action protocol for debt claims](#)

⁴¹ Ministry of Justice [Pre-action protocol for possession claims by social landlords](#)

⁴² Money Advice Trust and Centre for Social Justice FOI of councils in England. See methodology section for more information.

⁴³ Money Advice Trust survey of 802 people helped by National Debtline and Business Debtline between October 2024 – July 2025, who had council tax debt. Fieldwork conducted online, in August 2025.

⁴⁴ Money Advice Trust and Centre for Social Justice FOI of councils in England. See methodology section for more information.

⁴⁵ Money Advice Trust survey (see footnote 43 for full details)

Only one in ten (9%) said the council worked with them to understand their financial situation.⁴⁶ To achieve this step, local authorities should be required and supported to agree repayment plans that last longer than the current billing year.

✓ Refer to free debt advice, and other support services as needed

We found that, in England, almost all (96%) of councils signpost residents experiencing financial difficulty to free debt advice, which is really positive.⁴⁷ However, many are directed to free debt advice charities through written communications, rather than proactive referrals. We recommend councils regularly review their referral and signposting processes and work with both individual debt advice charities and with the Money and Pension Service to ensure referrals are as effective as possible.

✓ Referral to Council Tax Support scheme

Before moving to a liability order, we would like to see all councils checking if the person in debt may be eligible for their local council tax support/ reduction scheme (if they are not already receiving this). This is particularly important in light of evidence on low awareness and underclaiming (see our answer to question 6). This stage is particularly important because getting someone who is eligible onto council tax support can not only help deal with current arrears but prevent them occurring in the future, too. If someone is found to be eligible, support should be backdated to when the individual became eligible, so that any arrears that were accrued when they should have been receiving council tax support can be written off.

✓ Referral for income maximisation

As with the council tax support eligibility check, income maximisation can help identify other sources of income which can help people repay current arrears and also reduce risk of future arrears. Just one in ten (11%) National Debtline and Business Debtline clients with council tax debt surveyed said their council checked if they were eligible for any other benefits or support.⁴⁸

Councils should give people time to engage and take action on these steps, before proceeding to seek a liability order. Depending on the outcome of these steps, councils should adapt collection processes accordingly – providing longer-time periods, setting up repayment plans, looking to use alternative routes that do not involve bailiff action, and considering writing off parts of people's bills using Section 13a relief powers where there's no realistic prospect that the individual will be able to repay in full.

Evidence shows a correlation between taking a more supportive approach to council tax collection and positive impacts on people in debt. We asked National Debtline and Business Debtline clients about the overall impact of the council's actions in dealing with the council tax debt. Those who reported receiving helpful actions from the council were less likely to report a negative impact on their health and other elements of their life, and more likely to report a positive impact instead.

⁴⁶ Money Advice Trust survey of 802 people helped by National Debtline and Business Debtline between October 2024 – July 2025, who had council tax debt. Fieldwork conducted online, in August 2025.

⁴⁷ Money Advice Trust and Centre for Social Justice FOI of councils in England. See methodology section for more information.

⁴⁸ Money Advice Trust survey (see footnote 46 for full details).

Note, the question asked about the overall impact of the council's actions on the individual, rather than each action specifically so we cannot attribute direct causation, only correlation.

For example:

- People who were given time to get debt advice were 8 percentage points more likely to say the council's overall actions in relation to the debt had a positive impact on their mental health (46% compared to 38% of all respondents).⁴⁹
- People who said the council took into account their personal circumstances were 6 percentage points more likely to say the council's overall actions in relation to the debt had a positive impact on their mental health (44% v 38% of all respondents).
- People who said the council checked if they were eligible for other support or benefits were five percentage points more likely to say the council's overall actions in relation to the debt had a positive impact on their ability to concentrate at work (33% v 28% of all respondents).

"I was only behind with one month but they advised me to apply for council tax support and it was granted so they were helpful." – **National Debtline client**⁵⁰

"The council was actually very good with helping me deal with my debt, they gave me options and payment plans and made it less scary." – **National Debtline client**

Encouraging engagement

We understand the point made by councils that it is not always possible to identify people's circumstances if they have not engaged with the council. We appreciate this and our advice as a debt advice provider to people in council tax debt would always be to speak to their council and to tell them about their circumstances. However, we would expect that the protocol would be framed as requiring councils to make 'reasonable attempts', for example to identify vulnerability or negotiate and affordable repayment plan. The protocol and accompanying guidance could set out further information on what would constitute 'reasonable attempts' – such as using a variety of contact methods and making use of available data on the individual / household.

We would also highlight that the existence of a pre-action protocol, which clearly sets out how a council must work with someone to resolve their arrears would give people in debt more confidence they will be treated fairly, and make them more willing, and less frightened, to speak to the council.

⁴⁹ Money Advice Trust survey of people helped by National Debtline and Business Debtline between October 2024 – July 2025, who had council tax debt. Fieldwork conducted online, in August 2025. In total we received 802 completed responses.

⁵⁰ Quotes taken from Money Advice Trust survey of people helped by National Debtline and Business Debtline between October 2024 – July 2025, who had council tax debt. Fieldwork conducted online, in August 2025.

Finally, we would highlight that – unfortunately – we hear frequently from people who have informed their council of their circumstances, or offered affordable amounts, and the council has still proceeded to enforcement. This highlights the importance of amending regulations and setting a strong steer on the steps councils are expected to take before moving to a liability order.

“I felt depressed and had very bad anxiety. I couldn’t afford the full payments [so] I rang them to help me and sort out how I could afford it, and they sent it to the bailiffs and left me in more debts and more depression.”

“My experience with the council in dealing with my council tax debt was extremely distressing and disheartening. I often felt dehumanised and unsupported, as though I was treated as a case number rather than a person in genuine need. The lack of clear communication and compassion significantly impacted my mental health and placed enormous strain on my daily life and relationships. Instead of receiving guidance or understanding, I was met with pressure and silence at a time when support was most critical. As I’m dealing with bereavement of my two brothers within a space of five months, not even a sympathy.”

“[The council] wanted to focus on what they wanted as a sum put down as opposed to what I could afford”

Quotes from National Debtline and Business Debtline clients with council tax debt⁵¹

Other steps councils should take

To support an improved approach to council tax collection, we would also highlight the importance of **data sharing**, to help local authorities understand people’s circumstances and tailor collection actions accordingly. In particular, we’d like to see central government support local authorities to improve data sharing with other departments in the local authority and other relevant bodies such as the DWP and HMRC. This might include providing funding or technical support to improve systems, and to overcome any regulatory barriers.

We understand that **pilots conducted between HMRC and some local authorities** to share income data proved to be successful in helping local authorities identify higher income households, who may be able to repay their council tax at a higher rate, while offering a more supportive approach to households on lower incomes, who may need longer to pay and / or some form of debt relief. We would be interested to hear more about the outcomes of these pilots, and how these can be taken forward and rolled out across all local authorities as BAU.

⁵¹ Quotes taken from Money Advice Trust survey of 802 people helped by National Debtline and Business Debtline between October 2024 – July 2025, who had council tax debt. Fieldwork conducted online, in August 2025.

We would also be keen to see councils **exempting people receiving local council tax support/ reduction from bailiff action**. People receiving local council tax support / reduction have already been identified as requiring additional support through locally-determined criteria, and it is therefore highly unlikely they will be able to repay quickly or in full. Exempting them from bailiff action is therefore a logical step, and demonstrates the council's commitment to supporting residents facing financial difficulty.

Our recent FOI request found that **34 councils in England currently exempt local council tax support recipients from bailiff action**⁵² – we would be keen to see all authorities adopt this approach.

Box 2: Public support for improvements to council tax collection

Our research found strong support for improvements to council tax collection. Among people in England who expressed a view, more than two thirds (68%) think their local council should be doing more to help people who are struggling to pay their council tax bill.⁵³

Just 7% think their local council should be doing less.

Of those who think their local council should be doing more:

- Three quarters (74%) thought their local council should be making it easier for people to apply for support with their council tax bill.
- 54% think their local council should give people more time to repay council tax debts.
- Half (52%) think their local council should improve communication and advertising about support available.
- Half (49%) think their local council should do more to signpost people who are struggling to pay their council tax to charities and other organisations that can help.
- More than a third (36%) think their local council should do more to write-off debts that people can't afford to repay.⁵⁴

⁵² Money Advice Trust Freedom of Information request to local authorities in England, 2025 – see data sources section for more information.

⁵³ Research commissioned by the Money Advice Trust and conducted by YouGov Plc. Total sample size was 2,481 adults. Fieldwork was undertaken between 19th – 20th August 2025. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+). Sample size for this question was 1,465 adults in England who expressed a view on this question (i.e. excluding those who selected 'Don't know').

⁵⁴ Money Advice Trust research, conducted by YouGov (see full reference in footnote 53). Sample size for this question was 963 adults in England who selected that their council should be doing more to help people struggling to pay their council tax.

Question 25: Do you believe there are any barriers to councils being able to take the kind of steps set out in Question 24? [Local Authorities and other interested parties]

We recognise that councils are under significant financial pressure, and are likely to have a lack of dedicated funding and resources to implement some of the potential changes outlined. This includes investment in system updates to enable better data sharing, and we appreciate there can be legal or regulatory barriers to overcome here (although we are firmly of the view that these are not insurmountable).

In our experience, the pressure on councils to “balance the books” so that council tax arrears are paid within the accounting year, and the focus on in-year collection rates, has been a barrier to the scale and significance of change we have seen.

However, it is possible to overcome all these barriers. Long-term, we do not believe that reform of collection practices will lead to a drop in the amount of council tax collected. Evidence backs up this assertion.

- Research by Policy in Practice with London councils found there was no clear relationship between stricter council tax collection policies and higher council tax collection rates.⁵⁵ Rather, the two main determinants of collection rates were the generosity of the authority’s Council Tax Support scheme – with more generous schemes seeing higher collection rates – and the levels of poverty in the local area.
- The Credit Services Association – the trade body for debt collection agencies – reported that a greater focus on assessing affordability as a result of FCA regulation led to **amounts collected by its members increasing by 10%** from £2 billion in 2016 to £2.2 billion in 2017, despite being from a smaller overall pot of debt.⁵⁶

However, we appreciate there may be some short-term costs, such as systems development/ changes, or training (for example on setting up affordable repayment plans), and from money being recovered over a longer time period.

For example, we have heard anecdotally from some councils that have embedded a more supportive approach to collection that they experienced a temporary drop in collections as they embedded the new approach, but by a few years later they were actually able to collect more than before, by recovering this more sustainably and affordably, and reducing the risk of future arrears.

To overcome this potential barrier, we would encourage MHCLG to look at how they can provide financial support to councils – for example, through temporary funding to embed improved practices and processes.

⁵⁵ Policy in Practice (2020) [Council Tax debt collection and low-income Londoners](#)

⁵⁶ National Audit Office (2018) [Tackling Problem Debt](#)

We would also encourage MHCLG to move away from a sole focus on collection rates, which can incentivise poor practice, particularly around the collection of arrears in-year. We would like to see the introduction of statutory reporting by local authorities of debt collection methods and outcomes. This could include metrics such as the number of affordable repayment plans set-up; proportion of plans sustained/ completed; and debt collection methods used – including the use of bailiffs.

There may also be cultural or institutional barriers to change. The current council tax recovery system was designed for a time when most people could afford their bills, few people fell behind, and when they did, they often could afford to repay this.

The current rules have been in place for a long time and some council staff will be very used to this approach, despite the fact the context has changed significantly since, with high numbers of people struggling to pay due to the high cost of council tax, changes to social security, cost of living pressures such as rises in other priority bills. This is why we advocate MHCLG taking a clear approach and setting out in statute the steps councils should be taking, as well as continuing to share and encourage further best practice.

We would note that some of the barriers to changing local authority practices are not unique to council tax debt. There is a huge range of good practice both within the wider government debt sector, and in other sectors, that could be drawn upon. We are pleased to be a part of HM Treasury's Government Debt Management Function Fairness Group. This has been instrumental in identifying improvements in collection and enforcement practices, and driving these improvements forward in a collaborative way, facilitating shared learning across different departments and sectors. We would encourage both MHCLG and local authorities to engage further with the Fairness Group, and the Government Debt Management Function more widely, to benefit from the full support and expertise of this group.

Finally, we would highlight the importance of government increasing funding to local authorities for council tax support schemes. It is only through this that we can truly tackle the issue of rising arrears and the fact that so many people end up in council tax collection processes because they simply cannot afford their bills in the first place. This will stop local authorities having to face the difficult situation they do now, where they recognise the affordability challenges faced by people in their area, but the limited funding for local Council Tax Support means they may have to charge them anyway. Local authorities then have to attempt to collect the inevitable arrears, despite knowing they are unlikely to recover these and are likely to incur significant costs and use scarce staff resource in the process. We explore more on local council tax support in question 32.

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

We have set out the steps councils should take before they miss a council tax payment and fall into arrears in our answer to question 24 above. We believe that strengthening the requirements on local authorities to carry out these steps before they can take further action will not only help protect vulnerable people on low incomes but also result in better outcomes for councils themselves. Early intervention is vital in preventing debt to escalate.

Examples, and impact of, good practice: Insight from debt advisers

“I spoke to someone with a council tax debt recently who unfortunately had more money going out than they had coming in on an average month. This meant they were unable to meet their monthly payment and subsequently pay their council tax arrears. They were off work temporarily due to an injury so had approached the council with the budget we completed to see what support was available. The council had agreed to let the client pay what they can when they can until they were back on their feet and had agreed to pause recovery while the client was in a vulnerable situation. I think more councils should adopt a similar approach as good practice like this isn’t as common. Collection activity can sometimes be very ineffective as someone might just not have anything that they can actually give, and adding on further charges just makes it more challenging for that person to get out of their financial difficulty. Everybody’s situation is different, and councils should be able to identify if someone is actively trying to come up to a resolution and adjust their approach to fit their circumstances.”

Business Debtline adviser

“A lady I was previously advising was behind with almost two years’ worth of council tax and the bailiffs were having a significant impact on her mental health. Weekly phone calls and the threat of imprisonment were too much for her. She was struggling with depression and anxiety and was feeling suicidal. I advised her to get together whatever evidence she had of her mental health issues and send these to the council to highlight her vulnerability. She needed to send these alongside her budget sheet, with an offer of payment towards her arrears. This would show she could afford to maintain her ongoing bill and work towards clearing the arrears. Often, we don’t hear back on how these things went, but a colleague mentioned they had spoken to the lady a few weeks later and the council had agreed to take the debt back and were keen to work with her to clear whatever arrears she had.”

National Debtline team manager

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 very much support the introduction of a cap on the reasonable costs that can be claimed for an application for a liability order by a council.

We understand that the fee for each liability order application is 50 pence and that the extra amount claimed represents council costs.⁵⁷

⁵⁷ Shelter (2024) [Council tax liability orders: the price of non-payment](#)

As the paper acknowledges, councils are charging from £35 to £172 in costs. Research by the Centre for Social Justice found similar variation, with a Freedom of Information request finding that over half of councils charged between £65 – £95, but more than a quarter (28%) charged between £95 - £140.⁵⁸ This seems to be unfair on people living in different council areas and does not appear to be reflecting the real costs involved in obtaining a liability order.

Adding additional costs to the debt of people struggling financially makes it harder for them to resolve their debt situation. Any additional costs should always be kept to a minimum to give the individual the best chance of resolving their debt situation. As we have set out elsewhere in this response (see question 24 in particular), evidence clearly shows the vast majority of people in council tax debt are people struggling financially.

We fully appreciate the funding pressures councils are under, and the need to cover their costs incurred. However, adding significant or undue costs to people in financial difficulty is not an efficient or effective way to cover these. We would encourage the government to better support councils with funding settlements that allow them to invest in supportive recovery approaches and to reduce the additional costs placed on people in financial difficulty wherever possible. We also note that investing in increased Council Tax Support would reduce the number of people falling into arrears, and therefore the cost of collection faced by councils.

Evidence suggests that adding collection costs to the debts of people struggling is not working well for councils either. Since 2020, unpaid court and administration costs owed to councils in England have risen by 42%, or £131 million.⁵⁹ This reflects an increasing challenge that, while costs may be added to people's debt, these often cannot be recovered as the individual cannot afford them.

We very much supported the Welsh Government cap in 2011 on the amount that local authorities can add to a council tax summons and liability order and believe that the government should introduce a mandatory cap on charges in England too.

"I found the council were quick to threaten court action over small underpayments. I have had to pay court fees on a number of occasions over late payments even though the debts was settled well before the court dates. These fees make it more difficult to afford the actual council tax."

"My experience with the council has not been a nice one, as one of my bills was less than £100 in arrears, they took me to court added cost and then passed it over to the bailiffs who added a charge £275."

Quotes from National Debtline and Business Debtline clients with council tax debt⁶⁰

⁵⁸ Centre for Social Justice (2024) [Still Collecting Dust: Ensuring fairness in council tax collection](#)

⁵⁹ Ministry of Housing, Communities and Local Government (2025), [Collection rates for Council Tax and Non-domestic Rates in England, 2024-2025](#)

⁶⁰ Quotes taken from Money Advice Trust survey of 802 people helped by National Debtline and Business Debtline between October 2024 – July 2025, who had council tax debt. Fieldwork conducted online, in August 2025.

Question 28: What do you think this cap should be set at? Please explain your answer:

less than £70

We very much support limiting the amount that local authorities can charge for obtaining a liability order. This should cover the fees and costs for the court summons⁶¹ and the liability order.

We would like to see the cap set at below £70, at a level that reflects the actual costs “reasonably incurred” in obtaining the order.⁶² If these costs are below £70 then the cap should be set at a smaller amount.

As we have set out throughout our response, the financial difficulty faced by most people in council tax arrears mean any extra costs added to the debt typically serve only to exacerbate the financial challenges they face.

We would highlight that, as set out in questions 24 and 25, we think there are a number of ways the current system could be improved so that more steps are taken before a liability order needs to be sought. We expect this to have the effect that more people would be able to resolve their council tax debt situation (such as agreeing to an affordable repayment plan) without the need for a liability order. This should reduce the amount of work councils are required to do on liability orders, as fewer are sought.

We would also recommend that further consideration is given to a limit on when a liability order should be sought so that local authorities cannot seek to obtain a liability order for a disproportionately low amount of arrears.

Question 29: Should the cap apply when seeking a liability order on second or empty homes?

We would expect the cap to apply on costs for a liability order on a second or empty home, if the costs are the same as an application for a liability order on the resident's principal home.

Local authorities need to bear in mind that there might be many reasons a house is empty where there could be due to bereavement, failure to sell, or having to deal with severe disrepairs. There may be a rationale for increasing the amount incurred for a second home, however we would encourage the government to be explicit if this is going to be the case, that this would be more of a penalty / attempt to cross-subsidy costs from people who may be better off financially, rather than an amount to reflect the true costs of the action. As with empty homes, there may be genuine reasons why people with a second home are in financial difficulty so that would need to be taken into account.

⁶¹ [The Civil Proceedings and Magistrates' Courts Fees \(Amendment\) Order 2025](#)

⁶² [Nicolson, R \(on the application of\) v Tottenham Magistrates & Anor \[2015\] EWHC 1252 \(Admin\) \(06 May 2015\)](#)

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

Our evidence and experience finds that current council tax collection and enforcement processes are not working well in identifying and supporting people in financial difficulty. This means many people experience a disproportionate enforcement process, that does not take into account their financial situation.

We commissioned research with adults in England who had missed a council tax payment in the past 12 months. We asked them whether they had been offered help and support from their council in relation to their council tax. **More than half (53%) said they had not been offered any help or support, despite needing this.**⁶³ One in five (19%) were offered support and a further 22% were not offered support, but said they did not need this anyway.

The harsh approach to collection and enforcement that some councils adopt has a significant impact on people and can – in some instances – make people fearful of engaging with the council. This makes it less likely that a positive resolution to the debt is found, disadvantaging both the person in debt and the council.

Among people in England who had missed a council tax payment in the past 12 months:

- **More than half (53%) said speaking to their council had a negative impact on their health and wellbeing.** Just 6% said it had a positive impact.
- Just **three in ten (29%) felt comfortable speaking to their council** about the council tax they owe.⁶⁴

We have set out a number of recommendations in our response on how to ensure council tax collection and enforcement processes better reflect the reality of people's financial circumstances, and the difficulties they are facing in paying, including by introducing a statutory council tax pre-action protocol (see question 24), and exempting local council tax support recipients from bailiff action (see question 24).

Imprisonment

Another important area to address is imprisonment, which we believe is a disproportionate and outdated sanction. We have significant concerns about the retention of the sanction of imprisonment for non-payment of council tax, and do not believe this is a proportionate sanction, compatible with a modern council tax system. We would strongly urge the Government to act to remove the sanction of imprisonment for non-payment of council tax.

⁶³ Nationally representative research of 4,325 adults in England, commissioned by the Money Advice Trust and conducted by YouGov Plc. Fieldwork was undertaken between 20th - 22nd August 2025. The survey was carried out online. The figures have been weighted and are representative of all adults in England (aged 18+).

⁶⁴ Money Advice Trust research, conducted by YouGov (see full reference in footnote 63)

Such a move would command strong public support. Among people who expressed a view, **more than seven in ten (72%) people in England say they would support the Government changing the law so people can no longer be sent to prison for non-payment of council tax.**⁶⁵

There are a number of strong arguments for removing the sanction of imprisonment.

1. The threat of imprisonment can be used to pressure people to repay unaffordable amounts

While the actual number of people imprisoned for non-payment of council tax is low, our evidence shows that the **threat of this can be used by both councils and enforcement agents to pressure people to repay, often at an unaffordable rate.** One in ten National Debtline and Business Debtline clients surveyed (11%) said their council threatened them with prison if they did not pay.⁶⁶ One third (32%) said they were scared they could be sent to prison if they didn't pay.

We see examples of this happening both verbally and in correspondence, even where there is no lawful prospect of imprisonment for the people being threatened – as the two case studies below demonstrate.

Case study

Isaac* sought advice from our National Debtline service. He called us as he was being chased by an enforcement agent for a debt he was unaware of. Isaac had been put on a tenancy agreement without his knowledge by a relative's ex-partner. He was therefore liable for council tax at the property.

Isaac was told he could be made bankrupt for this debt, which was not true, and he would be sent to prison if the enforcement agent did not receive payment. Isaac attempted to dispute the debt, but felt the enforcement agent refused to listen, and terminated his phone calls.

**Name changed to protect identity*

⁶⁵ Research commissioned by the Money Advice Trust and conducted by YouGov Plc. Total sample size was 2,481 adults. Fieldwork was undertaken between 19th – 20th August 2025. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+). Sample size for this question was 1,763 adults in England, excluding those who selected 'Don't know'.

⁶⁶ Money Advice Trust survey of people helped by National Debtline and Business Debtline between October 2024 – July 2025, who had council tax debt. Fieldwork conducted online, in August 2025. Sample size for this question was 745 people.

Case study

Will* sought advice from our National Debtline service. He explained that his payment offer to the enforcement agent was rejected. Will told us he had missed letters from the enforcement agent as he had been in hospital for a long period of time, and was suffering with anxiety and other mental health issues. The enforcement agent advised Will that it was now too late, and that goods would be removed. Will was given an ultimatum: if goods were not removed, Will was told he would be sent to prison.

**Name changed to protect identity*

Debt advisers have to tell clients about the potential for imprisonment as a consequence of non-payment, however remote the possibility might be. Our advisers report that this can cause unreasonable levels of stress on already vulnerable people who are trying to resolve their debt issues, as the insight set out below from advisers demonstrates.

Quotes from National Debtline and Business Debtline advisers, regarding the impact of threats of imprisonment

"It is very common to hear people being threatened with prison. I have spoken to many people that are in deep distress, sometimes suicidal, worrying about what will happen to their children when they are sent to prison. In almost all circumstances, it is bailiffs threatening people with prison if they do not agree to an often unmanageable and unrealistic payment plan. The threat of imprisonment is not something people can just forget, despite it being incredibly unlikely. It does make advising them all the more challenging and can have a severe impact on a person's mental health."

National Debtline team manager

"It can cause significant stress to people when they are threatened with imprisonment, even if they are trying to come up to a resolution. Even when there is no imminent threat of this and I have just highlighted to people that it is a possibility, it can evoke a level of anxiety even if we reassure them, it's extremely unlikely and only in very specific circumstances."

Business Debtline adviser

"Although actual imprisonment is very rare, and clients can only be imprisoned for refusal to pay, or culpable neglect, this is rarely explained by either the bailiff or the local authority. There is merely the threat that the person can go to prison for nonpayment. It is something that we hear quite regularly. Fortunately, we are able to clarify the situation and clearly explain how the client can avoid this eventuality, however the mere threat and lack of full explanation obviously causes a lot of distress, panic and leads to increased stress/anxiety whilst trying to deal with this."

Business Debtline team manager

2. There is no evidence it would negatively impact collection rates

Research commissioned by the Welsh Government, to review the removal of imprisonment as a sanction⁶⁷ found no negative impact on collection rates.

“...The removal of the sanction of imprisonment for non-payment of Council Tax has not affected Council Tax collection rates in Wales. Since 2019 Council Tax collection rates in Wales have held up better than in other areas of the UK and against a control group of English councils matched for socio-economic characteristics.”

3. The threat of imprisonment can worsen the impact of council tax collection

Our research with National Debtline and Business Debtline clients in council tax debt found that those who had been threatened with prison by their council were more seven percentage points more likely to report that the actions of the council had a negative impact on their mental health. 63% of people threatened with prison reported this, compared to 56% of clients as a whole.

People threatened with prison were also five percentage points more likely to report that the council's actions had a negative impact on their ability to concentrate at work (64% compared to 59%).⁶⁸

“I am now under a mental health nurse because of the threat of bailiffs and prison. The bailiff did call and frightened me beyond belief.”

“My friends were so concerned that I dropped so much weight, as I got so ill, I wasn't eating. My mental health and anxiety is through the roof that someone is going to knock on the door or that I'm going to be imprisoned. I have also just been through 2 years in court then high court with a coercive/ abusive ex-husband.”

“Of all the debts, the council tax debt has been the most concerning due to the risk of prison and the threat of bailiffs. It causes a great amount of stress which impacts on all aspects of your life mainly your health both physical and mental.”

“It was extremely stressful, traumatic. Literally after one missed payment we got a court letter and I completely fell apart. My daughter had to step in and talk on my behalf because I couldn't even speak to them. All they did was force us into repaying it over 12 months in addition to the current bill, which we couldn't afford. We had to basically pay it and sacrifice things like food and all the bills to do so. I felt I had no choice otherwise they would do a court judgement and threatened me with prison.”

“[The experience with the council] has had a negative impact on my mental health. I have to ignore other bills to make sure I pay my council tax arrears as they're always telling me I will go to court and possibly prison.”

Quotes from National Debtline and Business Debtline clients with council tax debt⁶⁹

⁶⁷ Welsh Government (2023) [Understanding the impact of council tax interventions in Wales: The removal of the sanction of imprisonment for non-payment of council tax](#)

⁶⁸ Money Advice Trust survey of people helped by National Debtline and Business Debtline between October 2024 – July 2025, who had council tax debt. Fieldwork conducted online, in August 2025.

⁶⁹ Quotes taken from Money Advice Trust survey (see footnote 68).

4. It would bring England into line with Scotland and Wales

In Scotland, it is not possible to be imprisoned for non-payment of council tax, and the Welsh government abolished this in 2019, reflecting the view that such a sanction was not appropriate in a fair, modern council tax system.

“The Welsh Government believes that getting into debt is not a crime. We believe that the sanction of imprisonment is an outdated and disproportionate response to a civil debt issue. There is significant additional cost to the public purse in imprisoning individuals and such action does not have a positive impact on the debt owed to the local authority.”⁷⁰

5. Imprisonment is hugely expensive, and undermines government’s plans to reduce pressure on the courts and prison systems

Data shows that the average annual cost per prison place was £51,724 in 2022-23.⁷¹ Meanwhile, the average amount of council tax arrears faced by National Debtline debt advice clients is £2,305. Comparing the two amounts shows starkly the disproportionate nature of imprisonment as a sanction, particularly at a time when the government is working to reduce pressure on the courts and prison systems.

The government now has a vital opportunity to end imprisonment for non-payment of council tax, in line with their wider priorities on sentencing reform. The final Independent Sentencing Review report from May 2025 recommended government legislation to ensure that short sentences are only used in exceptional circumstances. The government has since signalled its plans to abolish most short prison sentences of less than 12 months in England and Wales, reflecting the negative impact these can have particularly on women, and the need to divert focus to support rather than sanctions.⁷²

We would urge MHCLG to work closely with the Ministry of Justice to use the upcoming Sentencing Bill to formally end the sanction of imprisonment for council tax non-payment, as has already been done in Wales.

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

In our response to this question, we have focused specifically on improvements that could be made to the enforcement stages, particularly the use of bailiffs. However, we would also highlight our response to questions 24 and 30 about the ways council tax collection and enforcement could be improved more widely, to better reflect the needs of people in financial hardship, or facing other challenging circumstances.

While we acknowledge that this consultation does not ask specifically about bailiffs, in this question we consider council’s interaction with enforcement agents and the requirements they set on them.

⁷⁰ Welsh Government (2017) [Consultation: Removal of the sanction of imprisonment for the non-payment of council tax](#)

⁷¹ [Written Question 3546](#), 30 August 2024

⁷² The Guardian (August 2025) [Labour to abolish most short prison sentences in England and Wales](#)

To better reflect the needs of people in financial hardship, we recommend that:

- Councils take more proactive steps to identify someone's financial, and other circumstances, before proceeding to a liability order or passing the debt to bailiffs. We are concerned that, currently, too many debts are passed through to bailiffs without the council having an understanding of whether this is appropriate for their circumstances.
- Ending the requirement that local authorities often have in place to clear arrears by the end of the financial year. This restricts the potential to arrange and affordable payment arrangement, including once the debt is passed to bailiffs, and sets people up to fail as they struggle to clear their arrears within an arbitrary timeframe. We want to see government and local authorities relax these requirements. Councils should ensure their contracts with enforcement firm set clearly that longer-term repayment agreements are acceptable, and do not set limits on this. Currently, we see many examples where enforcement firms say they cannot accept offers of payment that go beyond the end of the financial year, due to local authority collection policies and contract requirements.
- Councils are always prepared to take back cases from enforcement agents where financial difficulty or vulnerability is identified, and there should be a clear mechanism for this to happen. Councils should not refuse to speak to, or help people with their debt, just because it has been passed to bailiffs, and should be prepared to take this back if someone contacts them and is engaging with them to resolve the debt. In addition, enforcement agents should be required to send back accounts where vulnerability is identified immediately.

"My partner and I are registered as vulnerable. We had bailiffs come to our house [for council tax debt]. I contacted the council tax department and asked to speak to a manager. He was unhelpful said they would not take the debt back from the bailiffs. We were charged extra fees by the bailiffs. Eventually, after several weeks the bailiffs returned the debt to the council and the fees were dropped. It was stressful and took a lot of strength to do. It makes me worry about more vulnerable people other than myself."

"After several letters, emails and phone calls, the council were extremely unhelpful and unwilling to discuss any of my options. They said that once the matter had been passed onto the bailiffs there was very little they could do."

– National Debtline client quotes (taken from survey responses)

- All councils **exempt anyone on council tax support from enforcement action using enforcement agents**. This should be taken as evidence that people do not have the ability to pay, and alternative arrangements need to be put in place.
- Councils should not be using enforcement agents by default as a collection method. Where there is an enforcement firm contract, this should be with **Enforcement Conduct Board accredited firms only**.

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

We have set out a list of alternative measures for council tax collection below. These build on our response to questions 30 and 31.

We would particularly highlight the role of data sharing here, as a more effective way for councils to target collection and enforcement practices. We understand that **pilots conducted between HMRC and some local authorities** to share income data proved to be successful in helping local authorities identify higher income households, who may be able to repay their council tax at a higher rate, while offering a more supportive approach to households on lower incomes, who may need longer to pay and / or some form of debt relief. We would be interested to hear more about the outcomes of these pilots, and how these can be taken forward and rolled out across all local authorities as BAU. We would also highlight the examples we shared in question 24, which show how a support-first approach with people in council tax debt can lead to increased payments being received.

Other measures we would highlight are as follows.

- Require local authorities to follow the pre-action protocol to ensure best practice in collections. This should include working with residents and debt advisers to put in place an **affordable payment arrangement** *before* taking enforcement action.
- Extend the ability to accept repayments that **go beyond the financial year** as this is unnecessarily restrictive.
- Require local authorities to consider other payment mechanisms such as **deductions from benefits or attachment of earnings orders** *before* resorting to referral to enforcement agents. This will require local authorities to see the use of enforcement agents as a last resort in collections rather than the first or default option, (which currently just saves costs for the local authority and transfers these to the enforcement firm). This will also minimise the additional costs added to the debt burden by enforcement fees.
- Implement provisions to ensure **regular uprating earnings thresholds are used for Attachment of Earnings Orders**. We would support this being built in as an automatic annual update to the thresholds to prevent the thresholds falling behind real earnings and cost of living rises.

“Councils could try methods such as attachment of earnings or deduction from benefits as the first option instead of using bailiffs as the debt can quickly increase with bailiff fees and it can be quite intimidating having a bailiff visit your house attempting to take goods to repay the debt. Without adding the additional bailiff fees the debt will be smaller in comparison and therefore more manageable.”

Business Debtline team manager

Finally, we would particularly highlight the importance of local council tax support schemes in actually preventing debt in the first place, and in ensuring council's budgets are not based on recouping council tax payments that are not affordable in the first place. We believe it is vital that central government increases, and ringfences, funding for council tax support funding to enable all local authorities to offer 100% support.

Since the devolution of Council Tax Benefit in England in 2013, and reductions in funding since, we have seen the generosity of support significantly decrease.

We have seen local schemes vary across England, whereby residents have a postcode lottery as to what minimum percentage they will be required to pay despite having identical levels of benefit income. The most recent research from entitledto for the years 2025 to 2026 illustrates that the maximum reduction rates are often becoming less generous (despite some welcome increases) and local authorities expecting a minimum payment within a range covering 100% of the bill to one scheme expecting a 60% minimum payment.⁷³

Evidence has shown a direct correlation between this, and the rise in arrears. Modelling by the IFS found that reducing a household's Council Tax Support entitlement significantly increases the likelihood of them falling into arrears.⁷⁴ Their research found the increase in arrears was almost solely driven by households receiving a council tax bill when they previously wouldn't have, showing how vital 100% Council Tax Support is in preventing arrears. Research by Citizens Advice found that people they helped in areas with a minimum payment (i.e. didn't offer 100% council tax support) were 57% more likely to have council tax arrears than those living in areas without a minimum payment.⁷⁵ Research by Policy in Practice with London councils found the two main determinants of collection rates were the generosity of the authority's Council Tax Support scheme – with more generous schemes seeing higher collection rates – and the levels of poverty in the local area.⁷⁶

Setting minimum parameters for local council tax schemes, including a requirement to offer 100% support to a group of eligible working age residents (as is currently the case for people of pension age) is likely to significantly reduce council tax arrears in future. Ideally, the government would set minimum parameters for the scheme (accompanied by a suitable level of funding) as exists in Wales which covers the council tax bill in full for people within the set capital and benefits requirements across Wales.

Increasing funding for local council tax support would attract strong public support: among people who expressed a view, **four in five (79%) supported reducing council tax bills for low-income households.**⁷⁷

⁷³ entitledto (2025) [Review of council tax reduction schemes 2025/6](#)

⁷⁴ Institute for Fiscal Studies (2019) [The impact of localized council tax support schemes](#)

⁷⁵ Citizens Advice (2024) [Council tax support? A benefit determined by postcode not need](#)

⁷⁶ Policy in Practice (2020) [Council Tax debt collection and low-income Londoners](#)

⁷⁷ Research commissioned by the Money Advice Trust and conducted by YouGov Plc. Total sample size was 2,481 adults. Fieldwork was undertaken between 19th – 20th August 2025. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+). Sample size for this question was 1,845 adults in England who expressed a view on this question (i.e. excluding those who selected 'Don't know').

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

The government has already identified the affordability issues that can arise for residents who pay their council tax in ten monthly instalments. The list of payment methods appears to be fairly limited. There are likely to be innovative methods of payment available that will help local authorities to make payment easier and more accessible.

We are primarily concerned with the way in which affordability is assessed when someone has fallen behind with their payments, and how local authorities can make it as easy as possible for people to pay their arrears back.

We are particularly concerned about anecdotal reports from advisers that some local authorities refuse to accept payments towards council tax arrears once they have passed the debt for collection to enforcement agents. We think this is poor practice. This is confusing for people in debt who want to demonstrate a willingness to pay direct to the council, as different local authorities seem to take a different approach to this. Council tax arrears are still owed to the council, and they are still responsible for the debt, whatever third party they have asked to act on their behalf in collections. Avenues for payment and dialogue should not be removed in these circumstances.

We think there should be clearer guidance provided so that local authorities are clear as to their duties and responsibilities and a common approach adopted.

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

We very much support the intention in the paper to change the default number of payments for a yearly bill to 12 monthly instalments instead of ten.

We agree with the government that it is important people are able to pay their council tax in a way that is appropriate for them. We would urge government to ensure that local authorities are required to accept payments in a variety of ways, that ensure people who want to pay cash, or using alternative accessible methods are not excluded. Where people want to pay weekly or fortnightly, they should be able to do so. Practical difficulties should be resolved for individuals. This will make it easier for people to keep up with their payments.

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).

We have covered all the points we wish to make elsewhere in the consultation.

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?

We understand that Ministers and the department must pay “due regard” to the nine “protected characteristics” set out in the Equality Act, namely: race, sex, disability, sexual orientation, religion and belief, age, marriage and civil partnership, gender reassignment, pregnancy and maternity.

We believe that the proposed changes in the consultation would have beneficial impacts on groups with protected characteristics. Reform could have a positive impact by ensuring fairer treatment of vulnerable individuals, including those possessing the relevant protected characteristics.

If government were to go further than the proposed changes in the consultation, as we have suggested regarding reform to collection and enforcement of council tax, we believe that there would be further beneficial impacts on groups with protected characteristics.

Evidence shows that certain groups are more likely to be struggling with council tax arrears, and therefore more likely to be impacted by collection and enforcement action.

For example:

- People receiving disability benefits were more than three times as likely as the general population to have missed a council tax payment in the past year.⁷⁸
- Research by the Money and Mental Health Policy Institute (using the Money and Pension Service Debt Need survey 2023) and research by Debt Justice (using the UK Household Longitudinal Survey - Understanding Society) both found that young people, women, renters and minoritised ethnic groups are more likely to be in council tax arrears.⁷⁹
- Our research with National Debtline and Business Debtline clients found that those who had an additional vulnerability (such as a health condition, disability or capability challenge) were more likely to report that the actions of their council in collecting council tax debt impacted negatively on their health. 53% reported their council’s actions had a very or somewhat negative impact on their physical health, compared to 48% of people who did not have an additional vulnerability.⁸⁰

⁷⁸ Nationally representative research of 4,325 adults in England, commissioned by the Money Advice Trust and conducted by YouGov Plc. Fieldwork was undertaken between 20th - 22nd August 2025. The survey was carried out online. The figures have been weighted and are representative of all adults in England (aged 18+). 10% of people receiving disability benefits had missed a payment in the last year, compared to 3% of the population as a whole.

⁷⁹ Money and Mental Health Policy Institute (2024), *In the public interest? The psychological toll of local and national Government debt collection practices*; Debt Justice (May 2025), *Ban the bailiffs*

⁸⁰ Money Advice Trust survey of people helped by National Debtline and Business Debtline between October 2024 – July 2025, who had council tax debt. Fieldwork conducted online, in August 2025. Overall sample size for this question was 661 respondents, of which 493 had an additional vulnerability beyond their financial difficulty.

- Research by the Social Market Foundation found that council tax enforcement has a disproportionate impact on women, including those who “may need to flee their home, and enter a refuge, to escape from domestic abuse,” as women are more likely to have bills in their own names and “even moving to a refuge does not remove the legal obligation to pay council tax on the home left behind.”⁸¹
- Meanwhile, the Money and Mental Health Policy Institute found that nearly three quarters (73%) of people in council tax arrears who were referred to an enforcement agent have experienced a mental health problem.⁸²

For more information on our response, please contact:

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⁸¹ Social Market Foundation (2019), *Unfair, ineffective and unjustifiable: the case for ending imprisonment for Council Tax arrears in England*

⁸² Money and Mental Health Policy Institute (2024), *In the public interest? The psychological toll of local and national Government debt collection practices*



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