

Collaborative Council Tax Pilot



Clackmannanshire Citizens Advice Bureau

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1. Pilot Summary

Council tax is one of Scotland's most challenging debt problems. Following the covid-19 pandemic and the subsequent cost of living crisis, more and more households are having to make choices between necessary household expenditure. With expenses such as housing costs and energy having immediate, tangible consequences for failure to pay, many are sacrificing their council tax payments in order to stay afloat. As a result, levels of council tax debt in Scotland are rising. The Citizens Advice network has seen this reflected in the issues clients are presenting with. Council tax debt is the single most common debt type for bureaux in Scotland. In 2021/22, the network provided 18,752 pieces of advice on council tax arrears; accounting for 16% of all debt advice. This is a 22% increase from pre-pandemic levels.

With the demand for advice on council tax debt continuing to grow, the Improvement Service published the Collaborative Council Tax Collection Guide in June 2022. The guide seeks to offer a set of principles to support a collaborative approach between those in Scottish councils who are responsible for administering council tax and those who offer debt and money advice. There is evidence that actively encouraging people in arrears to seek advice offers benefits to both the individual and the council. Accessing advice enables people to maximise their income, recognise priority debts and how to manage their finances, which in turn places them in a better position to sustain payments. The guide proposes a series of ideas such as a trusted friend's agreement, establishing a clear point of contact, and networking and training. The aim is that, by utilising this guide, local authorities and advice agencies can secure ongoing client liabilities, address arrears, reduce the need for enforcement action, and support the welfare of the client.

Using the guide as a basis, the Scottish Government funded a pilot which looks to utilising the guide as a means for collaborative working between CAB and local authorities to provide a platform for improvement in council policies, processes, and practices to reduce the number of people who fall into payment difficulties or arrears. The pilot ran from November 2023 to the end of March 2024. The pilot aims to understand the barriers and challenges to implementation of the guide and to work collaboratively to improve the client experience of the council tax collection process. Three bureaux were selected to participate in this pilot

scheme, one of which was Clackmannanshire. Similar to the trends identified nationally, our bureau has witnessed a rise in the demand for debt advice as a result of the cost of living crisis. Our 2022/23 annual report highlighted that on average 20% of client's total amount of debt is council tax arrears. This is notably higher than rent arrears, at 15%, and fuel debts, at 14.5%. Excluding water and sewerage charges, Clackmannanshire Council currently has a deficit of £8.5 million in unpaid council tax. Working alongside the revenues department at Clackmannanshire Council, we aimed to encourage those with council tax debt to access support and develop practices to improve the experience of debt collection. This report seeks to summarise the developments made throughout the duration of this pilot and analyse wider issues identified.

2. Progress made during the Pilot

At the beginning of the pilot, an early priority for us was to hear from the public and what issues they are facing, so that we could tailor our approach accordingly. We issued a survey via both the bureau and the council's social media channels that sought to establish the impact of the cost of living crisis and people's understanding of council tax and debt collection. The survey results found that 60% of participants feel that the cost of living crisis has had an impact on their ability to manage their bills. Furthermore, 46% of participants said they would be likely to prioritise housing and energy costs over council tax and 33% may prioritise these bills over council tax. Nearly half the participants did not have an understanding of the debt collection process and 75% said they may contact the bureau if they were struggling with their council tax. Alongside this, feedback from advisers on castle was regularly reviewed to identify exact issues that our clients were presenting with. From this feedback and discussions with the revenues department, we were able to establish a set of priority issues. Firstly, we aimed to promote how CAB can help people maximise their income and manage their debts. Secondly, to advise the public on council tax and the consequences of non-payment. Finally, we aimed to promote each other's services and establish a referral pathway between organisations to make support more easily accessible.

Early on in the pilot, we designed a referral form for the council to refer clients to the bureau. We have utilised similar processes in the past, for example for the food insecurity scheme the bureau participated in last year. This referral form was drawn up and sent to the council for them to refer clients in for advice. Alongside this, more informal referrals were made with revenues reporting they had seen an increase in call handlers encouraging clients to contact the bureau when they call in. We also decided to try and encourage the highest level debtors to contact the bureau. The revenues department were able to identify the top forty highest level debtors, and from that they identified twenty one individuals who could be deemed financially vulnerable. The revenues department then designed a letter to be sent to these individuals, offering free and impartial advice from the bureau. While the exact impact of these efforts is unknown, we have seen a rise in those seeking advice on council tax. Comparing advice code statistics on CASTLE from the duration of the pilot scheme (November 2023 to March 2024) to numbers from the same period the previous

year, we have seen an increase in clients attending the bureau with council tax issues. Throughout the pilot we saw 209 clients who had council tax issues and 185 specifically presenting with council tax debt. In comparison, in the previous year we saw 199 clients with council tax issues and 121 seeking advice on council tax debt.

To gain a more in depth understanding of people's experiences with council tax debt collection, we ran a second survey specifically on experiences with the debt collection process. While the response rate was low, we still gained valuable insight. For example, all respondents who had experienced council tax debt reported that they did not engage with the debt collection process until their case was passed on to Sheriff Officers. Multiple reasons for this were provided, such as they kept thinking the issue would "just go away," or that they were unable to due to "worry and fear." From this feedback, we sought to encourage people to engage at an earlier stage, by making them aware of the negative consequences of a debt being passed to the Sheriff Officers. For example, when a debt is passed to Sheriff Officers an additional 10% fee is added to the existing debt. One way we aimed to do this was by designing a dedicated council tax webpage on our bureau's website. The page summarises what council tax is, water and sewerage charges, the debt collection process, and discounts and reductions. The page also links to additional resources such as the Check my Council Tax and Money Map tools from Citizens Advice Scotland and the Scottish Water website, which provides more in depth information about water and sewerage charges. We promoted this page on our social media platforms and the news section of our website. Revenues also generated a QR code which links to this page which we are aiming to include on either reminder letters or final notices, this is dependent on time frames. The hope is that by condensing this information in one place and making it easily accessible, we can improve people's knowledge of council tax collection, advise on the consequences of the debt being passed to Sheriff Officers, and make people aware of ways they may be able to save money on their council tax bill.

Promotion of this pilot scheme was key to its success, and we utilised many ways of doing so. We advertised how CAB can help with Council Tax issues in tandem with running the Stressed about Debt campaign from Citizens Advice Scotland. Clackmannanshire Third Sector Interface reached out and offered to run a piece on the pilot scheme in their community newsletter. This post summarises the aims of the pilot and encourages those

struggling with their bills to contact Clackmannanshire Council and the bureau. We also included the link to the second survey to encourage people to have their say. The Council also promoted the surveys on their social media to further encourage engagement. Even with the pilot reaching its conclusion, we aim to continue to promote the support available from both organisations so that we can continue to reach those who may benefit from it.

4. Learnings and Outcomes

From the outcomes we have identified, progress made during the pilot has been highly successful. The pilot has allowed us to strengthen the working relationship between the bureau and the revenues department. Having established points of contact in both organisations allowed both parties to reach out with any issues we were identifying, which in turn allowed for quicker resolutions for our clients. The measures we introduced over the course of the pilot have increased promotion on both sides, with the council regularly suggesting clients contact the bureau and utilising our respective social media channels to promote assistance available. We also now have long term support mechanisms available, with the referral form in place and the council intending to reach out to new high level, financially vulnerable debtors around every six months to offer impartial support from the bureau. With the changes we have made, we hope that those struggling to manage their bills will know where to access support and we can help prevent people falling into debt or assist those who have accumulated arrears.

The success of this pilot could not have been achieved without the willingness of Clackmannanshire Council's revenues department to engage with us on this project. Despite being highly busy, with the pilot falling right on the run up to the beginning of the new financial year, the council were still highly engaged and open to changes throughout the pilot's duration. Furthermore, through reviewing case records throughout the pilot, we identified multiple examples of good practice from the revenues department. For example, as well as offering CAB support, we identified cases where the council had offered flexible payment options and, in some cases, temporarily paused direct debits for those struggling financially.

Issues did arise, however, when it came to feedback about the Sheriff Officers responsible for council tax debt collection in Clackmannanshire. There were concerns raised throughout the pilot's duration, from both case records and survey feedback, the actions taken by Sheriff Officers. For example, in our second survey, one respondent stated that their experience of the debt collection process was "horrendous when referred to Sheriff Officers." We also identified cases where they had made high payment demands, with one case showing a client was told any payment lower than £210 a month would not be

accepted, despite her arrears only totalling just over £700. The council did advise that they have a good working relationship with the Sheriff Officers and part of this involves receiving details of any complaints they have received. They did note that communications are harsh in tone when debts reach this stage and how this may be perceived by clients. We expressed concerns that had been raised to the bureau about Sheriff Officers during this pilot and discussed how complaints about Sheriff Officers may be more likely to reach the bureau than Sheriff Officers themselves. Unfortunately, pursuing this issue further was far out with the remit of this pilot, with the feedback we received being evident of a national issue, but the general operations of Sheriff Officers has been a key point highlighted to us and other participating bureaux throughout this pilot, and one we would be keen to see further work on following on from this pilot.

It was also noted early on that the council would like to deal with more issues in house, but this is not financially viable due to the funding our local council receives. Budget constraints was a recurring issue we saw throughout the pilot's duration, and through discussions with the revenues department it became evident this presented a barrier. For example, revenues discussed how they do not have a dedicated debt team and how they used to have a debt advice team but there is not the capacity for this. They stated how they would like to support those who are struggling far more in house but as it stands this is not feasible, so it is more practical to refer to CAB. A similar notion was expressed in regard to passing cases on to Sheriff Officers. Throughout the pilot, we encouraged people struggling with their bills to reach out to both the bureau and the revenues department before their case was referred to Sheriff Officers. At the pilot's conclusion, it is our belief that the support being offered to those struggling financially and falling into debt could be improved and expanded if local councils received more support on a national level. The desire to offer more support in house was evident, hence revenues pro-active response to the pilot, and this would be more feasible with further support from national Government.

In conclusion, a lot of changes have been made throughout this pilot's duration. Both parties have gained invaluable knowledge about the issues those struggling with their council tax bills are facing and have built on this knowledge to introduce changes that provide further support. We continue to encourage those struggling to manage their bills to reach out to the bureau but also to the revenues department, who can provide support and

help to identify a manageable payment plan. It is hoped that with these changes in place, we can encourage more people to seek support with their debt and make people more aware of the council tax debt collection process. While we believe the pilot has been highly successful within the remit we had, wider issues have been raised such as issues with sheriff officers and lack of funding for local councils across the country. We hope that by identifying these issues and drawing awareness to them, further work on these matters can be done. Looking forward, we aim to continue building on the learnings and developments from this pilot to provide advice and support to those struggling with their council tax bills.

Appendix One: Survey One Questions and Results

<p>1. Has the Covid-19 pandemic and the cost of living crisis had an impact on your ability to manage your bills?</p>	<p>Yes: 9 No: 6</p>
<p>2. When managing your bills, are you more likely to prioritise housing and energy costs overpaying your council tax bill?</p>	<p>Yes: 7 No: 3 Maybe: 5</p>
<p>3. Do you consider council tax debt to be a priority or non-priority debt?</p>	<p>Priority: 11 Non-Priority: 4</p>
<p>4. Do you find your council tax bill easy to understand?</p>	<p>Easy: 1 Mostly Easy: 7 Somewhat Easy: 5 Somewhat Difficult: 2 Very Difficult: 0</p>
<p>5. Do you know what services council tax pays for? Can you name an example?</p>	<ul style="list-style-type: none"> • Water x4 • Refuse Collection x8 • Road Maintenance x2 • Schools x1 • Housing x1 • General Operational Costs x1
<p>6. Are you familiar with the debt collection process for outstanding council tax payments?</p>	<p>Yes: 5 Somewhat Familiar: 3 No: 7</p>
<p>7. Have you experienced council tax debt before?</p>	<p>Yes: 6 No: 9</p>
<p>8. If you have been in council tax arrears, did you respond to the reminder notice? If not, why not?</p>	<ul style="list-style-type: none"> • “Yes, paid it off” • “No” • “No, needed money for food” • “Pays by direct debit but for some reason name was passed to a debt collection agency” • “Thought I would have more time to contact to make an arrangement to pay” • “Yes, I was in debt due to a change in circumstances when my partner moved in. Despite him paying council tax for his own property (which has been empty) I was charged as he’d moved in. No opportunity with help and, in my experience, staff were rude when trying to sort this out.”
<p>9. Are there any changes that could be made to the debt collection process that would make you more likely to engage with the council?</p>	<ul style="list-style-type: none"> • “Make them less scary” • “Unsure due to lack of debt collection knowledge” • “Opening the reception at kilncraigs”

	<ul style="list-style-type: none"> • “Easier to see the consequences of it being passed to Stirling Park” • “Less intimidating/ bullying tactics for vulnerable people already struggling with mental health” • “Stop using debt collectors and contact debtors directly. It would probably be cheaper and create more local jobs” • “More time to make an arrangement” • “Maybe more understanding staff or making it explicitly clear what the money pays for”
10. Have you received support with a debt issue from citizens advice before?	Yes: 2 No: 13
11. If yes, did you find the advice and support offered helped you handle your debt?	Yes: 1 Mostly: 2 Somewhat: 0 No: 1
12. If you are struggling with managing your council tax bill, would you be likely to contact citizens advice for assistance?	Yes: 7 Maybe: 2 No: 3

Appendix Two: Second Survey Questions and Results

<p>1. Have you experienced council tax debt before?</p>	<p>Yes: 4 No: 2</p>
<p>2. If yes, what was your experience of the debt collection process?</p>	<ul style="list-style-type: none"> • “Difficult” • “Sent no letters, was sent straight to debt collection agency” • “Very bad from both council and debt collection agency. Wasn’t told I had debt, wasn’t told it was being passed to a collector” • “Horrendous when referred to Sheriff Officers”
<p>3. At what stage did you engage with the debt collection process?</p>	<p>Reminder Notice: 0 Final Notice: 0 Sheriff Officer: 4</p>
<p>4. Please provide details about why you chose to engage at this stage?</p>	<ul style="list-style-type: none"> • “Kept thinking it would go away” • “Because I received no letters about council tax and no contact from council, sent me straight to debt collection agency” • “I have struggled a lot so the easiest debt to build was council tax. Contacted the office only to find no help was available other than passing to a collection agency who made unrealistic demands” • “Worry and fear”
<p>5. If you are struggling to manage your bills, have you contacted the council to make them aware of this? If no, please provide details on why.</p>	<ul style="list-style-type: none"> • “Yes” • “No, as they don’t care they just want payment” • “Yes, and they do not care at all” • “At the time I did. When you’re employed but struggling there is absolutely no help available to deal with council tax debt whatsoever. At times I couldn’t afford the monthly payment but triple that payment was demanded by both council and debt collectors” • “They don’t help, just expect you to pay”
<p>6. Have you engaged with the council before to set up a repayment plan?</p>	<p>Yes: 3 No: 1 N/A: 2</p>
<p>7. Do you have an understanding of the debt collection process for council tax?</p>	<p>Yes: 2 Somewhat: 3 No: 1</p>
<p>8. Would further information about the debt collection process being made</p>	<p>Yes: 2 Maybe: 2</p>

available encourage you to engage with the council at an earlier stage?	No: 2
9. Do you know where to access support if you are struggling to manage your bills?	Yes: 4 No: 2
10. What would you say are the main barriers to engaging with the council to manage your debt?	<ul style="list-style-type: none"> • “Mental health” • “Reception at Kilncraigs being closed” • “Contact people instead of sending straight to debt collection agency and stop threatening people for it” • “Rude staff who have no interest in assisting people who are working but fall into debt. No communication from council before debt is passed to threatening and demanding debt collectors who are happy for you not to pay essentials so you can meet their demands for £300+ payments to them per month” • “Fear of being judged, told you just have to pay anyway”
11. Are there any changes that could be made that would encourage you to engage with the council to manage your debt?	<ul style="list-style-type: none"> • “Open the reception so people can speak face to face” • “Yes, stop the threatening behaviour that the council has and stop sending to debt collection agencies. Maybe should consider instead that there may be people who cannot afford to pay or are struggling” • “Staff understanding that people in work can fall into debt and to be treated at the same level as people who are unemployed” • “Realistic payment plans for people who are struggling”
12. Any other feedback?	<ul style="list-style-type: none"> • “Why did the council write off council tax debt? They should be made to pay this. The people who pay are carrying those that don’t” • “The rent debt needs to be looked at as well. During lockdown certain people were given a 20% reduction on rent. As I was in full time employment I wasn’t given the same benefit as other even though I was furloughed receiving less than 80% of my wage. I have gotten into rent arrears which I have kept my housing officer up to date on yet I got letters telling me I’d be evicted. You need to understand working people can fall into debt.”

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