

Citizen Participation and Public Petitions Committee

10th Meeting, 2022 (Session 6), Wednesday
8 June 2022

PE1897: Reform certain of the procedures for
the collection of Council Tax

Note by the Clerk

Lodged on 27 September 2021

Petitioner Richard Anderson

**Petition
summary** Calling on the Scottish Parliament to urge the Scottish Government to reform those procedures for the collection of Council Tax which apply when a person has difficulty in making payment.

Webpage <https://petitions.parliament.scot/petitions/PE1897>

Introduction

1. The Committee last considered this petition at its meeting on [2 February 2022](#). At that meeting, the Committee agreed to write to the Scottish Government and COSLA.
2. The petition summary is included in **Annexe A** and the Official Report of the Committee's last consideration of this petition is at **Annexe B**.
3. The Committee has received a new response from the Minister for Public Finance, Planning and Community Wealth which is set out in **Annexe C**.
4. The Committee also wrote to COSLA but has yet to receive a response.
5. Written submissions received prior to the Committee's last consideration can be found on the [petition's webpage](#).

6. Further background information about this petition can be found in the [SPICe briefing](#) for this petition.
7. The Scottish Government's initial position on this petition can be found on the [petition's webpage](#).

Action

The Committee is invited to consider what action it wishes to take.

Clerk to the Committee

Annexe A

PE1897: Reform certain of the procedures for the collection of Council Tax

Petitioner

Richard Anderson

Date lodged

27/09/21

Petition summary

Calling on the Scottish Parliament to urge the Scottish Government to reform those procedures for the collection of Council Tax which apply when a person has difficulty in making payment.

Previous action

I wrote to the then leaders of all the main political parties in the including Richard Leonard MSP and Jackie Baillie MSP (Labour); Jackson Carlaw MSP (Scottish Conservatives) and a number of SNP MSPs. I have also written to my own local MSP.

Background information

Council Tax should be fair and just. It is not. For example, if a notice is not received by a person, the Council will simply refer the matter to Sheriff Officers. This results in an adverse entry on their credit record. This is causing real hardship. Those doing their best to pay can run into difficulties (injured; redundant). In any other case a person anticipating such a dispute could raise that issue - but not in relation to Council Tax which is excluded. The Summary Warrant issued is equivalent to a 'Court Decree'. The powers that Sheriff Officers now have are seemingly limitless. Bank Account arrestment and even bankruptcy. Those going to Citizens Advice Bureau for advice will be offered a form of voluntary bankruptcy known as a Protected Trust Deed (PTD). There has been a 20% jump in these. Reform is needed.

Annexe B

Extract from Official Report of last consideration of PE1897 on 2nd February 2022

The Convener: PE1897, which was lodged by Richard Anderson, calls on the Scottish Parliament to urge the Scottish Government to reform the procedures for the collection of council tax that apply when a person has difficulty in making payment. The committee sought views from stakeholders after its last consideration of the petition and to date responses have been received from the Convention of Scottish Local Authorities, Citizens Advice Scotland and Social Security Scotland.

In response to the petitioner's concerns about individuals not receiving a council tax notice, COSLA suggests that, based on the reliability of postal services and the availability of e-billing, that circumstance should be "an exception rather than the norm."

Citizens Advice Scotland clarifies a number of points made by the petitioner and makes suggestions for improvements to the council tax system, including a review of the time between the point someone falls behind and the issuing of a summary warrant, as it believes that that is currently "very short"; a review of whether liability for the whole year's council tax should be applied when someone falls one month behind; and a review of how council tax reduction is promoted and ensuring that all councils have an automatic entitlement for those on qualifying benefits.

The committee asked Social Security Scotland whether systems would be designed to automatically notify individuals if they are eligible for a council tax reduction. In its response, Social Security Scotland states that the Scottish Government has commenced conversations with local authorities about opportunities that might exist to make access to entitlements automatic for clients. One example of that is that Social Security Scotland will explore automatic entitlement to free school meals, school clothing grants and council tax reduction for those who are eligible for Scottish child payment.

I open up the discussion for comments from colleagues.

Alexander Stewart: Given the information that we have received back—especially from Citizens Advice Scotland—about the timings, about individuals' ability to pay and about the liability that applies when they fall behind, and given the increasing awareness that the whole idea of funds and support for individuals who are finding it difficult to pay is a very important topic, I think that we need to get more clarity from the Scottish Government as to how it is attempting to address that and whether there is an opportunity to undertake the review that is being sought. That would give us the chance to see and hear what the Scottish Government is planning to do under the process.

The Convener: Do members have any other comments? I support what Alexander Stewart said. Given that Citizens Advice Scotland has indicated a number of specific improvements that it would like to see made, I would like to hear what the Scottish Government and COSLA think of those proposals and to ask whether they will undertake a review of the issues raised, in particular the process by which summary warnings are issued and the timescales that are associated with that, because that is quite significant. When Citizens Advice Scotland says that the time is “very short”, I would be interested to understand better what that means.

Are we content to write to the Scottish Government and COSLA asking for their reaction to the Citizens Advice Scotland recommendations?

Members indicated agreement

Annexe C

Minister for Public Finance, Planning and Community Wealth submission of 19 April 2022

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The Committee asked whether the Scottish Government intends to undertake a review of the issues raised by Citizens' Advice Scotland and in particular the process by which summary warrants are issued and the timescales associated with this.

As I described in my original response, our priority is to prevent people falling into arrears with their council tax and the Council Tax Reduction (CTR) scheme is key in that regard. At the same time, and because it is fundamentally unfair on the vast majority of people who do pay their taxes for some to avoid paying their way, the Scottish Government also recognises the importance of ensuring that local authorities have the means to protect their revenues.

Council tax is a local tax, set and collected by each local authority, with every council financially and administratively accountable to their electorate. Councils are not obliged to use a summary warrant or any particular collection method and are free to agree mutually suitable payment arrangements with a household. Decisions on what collection methods to use are for local authorities to make. For these reasons, we have no plans, at this stage, to review the processes set out in law in the Council Tax (Administration and Enforcement) (Scotland) Regulations 1992.

In their submission to the Committee, Citizens' Advice Scotland (CAS) highlight the importance of promoting the CTR scheme and the various other discounts and reductions that are available, including the SMI discount. In that regard, CAS's own Money Talk Team (Money Talk

Team | Citizens Advice Scotland), backed by the Scottish Government, is playing an important role, providing impartial advice to households on maximizing their income, reducing bills and managing debts.

It is my understanding that most councils will use a notification from the Department for Work and Pensions (DWP) that somebody has made a claim for Universal Credit as either a prompt for them to proactively contact that person or as an application for a council tax reduction. It is in councils' interests to ensure that somebody who is entitled to a council tax reduction gets that reduction, rather than that person falling into arrears. However, the extent to which notifications from the DWP are used to automate entitlement to CTR is a matter for individual local authorities.

The last issue raised by CAS concerns awareness amongst people still being required to pay water and sewerage charges, even if their council tax liability is reduced to zero. Water and sewerage charges are collected by councils on behalf of Scottish Water along with council tax. These charges are therefore included on every council tax bill and the content of those bills is set out in law. As with council tax, it is not in a local authority's interests for somebody to fall into arrears in their water and sewerage charges, and local authorities are free to go beyond the prescribed requirements in providing information in their bills if they think that would be helpful. At the same time, it is clearly important that individuals ensure they understand the communications they receive from their council, including accessing the free impartial advice that is available to help them do that as well as to manage their finances.

Overall, my officials continually work with councils to encourage them to adopt best practice as they administer their Council Tax as well as continuing to engage with CAS and others to help promote the support and advice that is available. However, there will be differences in approach amongst the 32 local authorities, reflecting that local decision making is fundamental to each Council's accountability to its electorate.