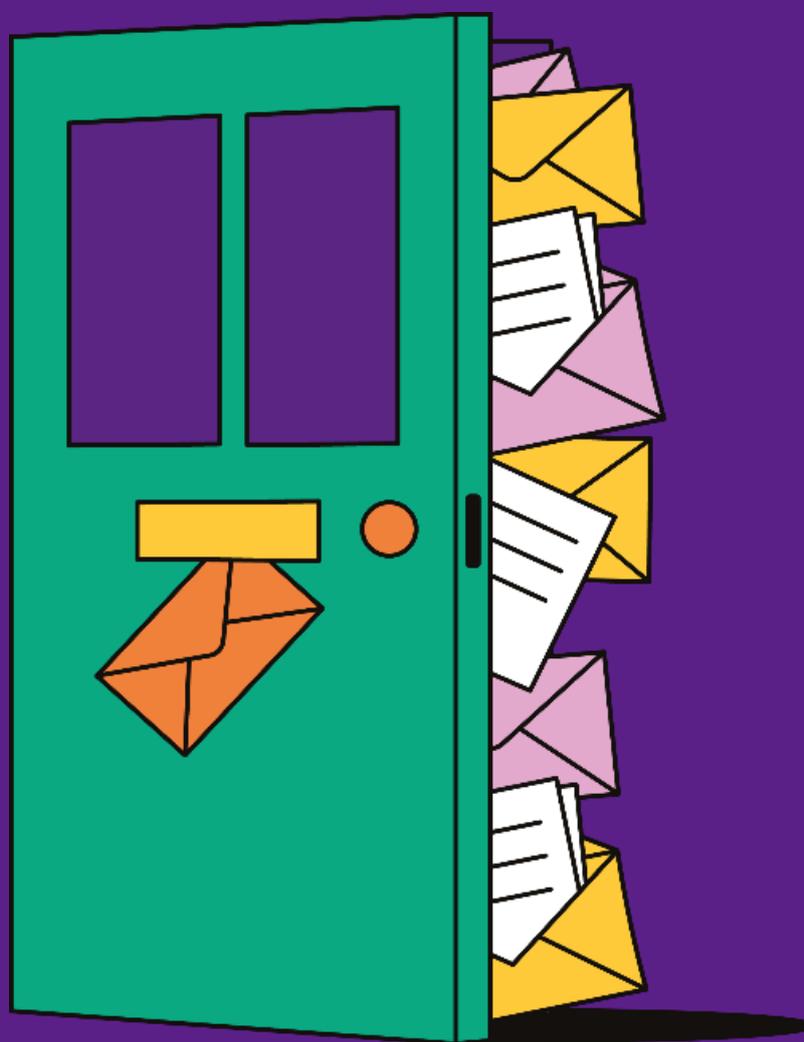


Clear, Fair, Understandable?

Council tax template letters from local authorities
in England and Wales



March 2026

StepChange
Debt Charity

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Executive Summary

Since the pandemic, council tax arrears have been on the rise amongst StepChange clients. With over a third of our clients in arrears, our most recent piece of council tax research, [Looking through the keyhole](#), analysed our clients' experiences of council tax collection and enforcement.¹ This follow-up work draws on a Freedom of Information (FOI) request to analyse how local authorities communicate with those in arrears. It also builds on StepChange's partnership and roundtable work with local authorities across England and Wales as we seek to build long term financial solutions for councils and also those we support and represent.

Councils across England and Wales are in a financially difficult position. They are legally required to set a balanced budget, provide essential services, and offer discretionary support, all at a time when central government grants and rebates have reduced, and whilst the cost of social care presents significant pressures.² What's more, average council tax rates continue to increase, and in the last year alone rose by 5%, or £109, for a typical band D household.³ This comes alongside a wide divergence in the levels of Council Tax Support provided by individual local authorities, meaning the two act together as a key driver of debt.

That being said, these pressures should not be the reason that those in financially perilous positions are on the end of communications which may exacerbate financial difficulty and could entrench fear, rather than help them to engage with their council for support.

We want to see individual local authorities take action to ensure the way in which they collect council tax debt is ethical and compassionate, providing room to repay, rather than simply escalating to enforcement at the earliest possible moment. This includes a consideration of the role that communications can play in affecting residents' behaviour.

As it stands, there are no binding standards set by central government for council tax debt collection and it falls outside the Government's recent Debt Fairness Charter purview.⁴ This results in a postcode lottery, where some in arrears will find their councils are supportive and engaging, with pathways to necessary debt support, whilst other in different areas quickly face punitive messaging, including heavy-handed mentions of enforcement and little to no signposting to support options.

Therefore, this supplementary piece of work adds yet more evidence to the existing body that the council tax collection process is outdated and in desperate need of reform.

Key Findings

This research found that communications differ wildly by local authority. Not only do they differ, unsympathetic or oversimplified messaging is worryingly common in the absence of binding guidance from central government on the framing of recovery communications.

For example, councils may emphasise enforcement action without properly signposting to debt advice and outlining payment plan options. There is often a failure to explain support options and realistic next steps for those in arrears. Finally, it found that amongst a minority of councils there is an active and inappropriate use of imprisonment proceedings in the recovery process.

Summons

Local authorities have a duty to communicate steps they may pursue as part of the debt collection process. However, there is a clear line between communications encouraging people in financial difficulty to seek help, and pre-action letters which mainly describe a collections and enforcement process.

- Four in five (82%) local authorities who responded to our FOI mentioned the process of court summons in the first letter sent to those in arrears.

Enforcement

When seeking to recoup council tax arrears, councils can begin a range of enforcement proceedings. They can apply for a liability order from the court which allows them to seek an attachment of earnings, deduct from benefits, and instruct bailiffs.⁵

- Over a third (36%) of local authorities who responded made direct reference to recovery and/or enforcement action in their first letter to residents in arrears.
- By the final letter, this figure rises to one in two (50%) responding local authorities.

Imprisonment

Existing rules allow councils in England to instigate prison proceedings for those who undertake wilful non-payment of council tax (as a last resort after all other avenues of enforcement have been pursued).⁶ Our research found that:

- One in six (17%) responding councils started prison proceedings since 2020.
- One in twenty (5%) responding councils mention prison in their first letter.
- There was a total of 1,528 cases of responding local authorities in England instigating prison proceedings to residents who were in council tax arrears.

Methodology

This briefing is based on a Freedom of Information request to every local authority in England and Wales, requesting access to their template council tax debt collection letters, sent to those who are in arrears.

These requests were sent between September and October 2025, and with a response rate of 98% and an approval rate of 77%.

StepChange requested templates of:

1. The initial, second, and final reminder notice issued as part of the arrears or recovery process.
2. Any additional reminder notices or discretionary communications issued to residents with council tax arrears, including between the first reminder notice and final notice being issued.

We also sought data on:

- i. The total number of households against which imprisonment committal proceedings relating to unpaid council tax were instigated, for each year from 2020.

The analysis of template letters was carried out by a member of StepChange staff, focused on the use of certain language. This data was then quality controlled by other StepChange staff members who cross referenced the initial assessment of the letter with a

second perspective. Whilst there are some grey areas around language in a small number of letters, we have remained consistent with the below assumptions:

- Any mention of “prison,” “committal,” or “committal proceedings”, has been considered a mention of prison.
- A mention of “recovery proceedings” is considered a reference to enforcement action.
- A specific mention of “liability order” is considered separate to summons.
- A mention of “legal action” or “court action” but not directly a summons is considered a reference to a summons.
- A final notice letter is taken as the “final notice”, where some councils use a “final reminder” then a “final notice.”
- On prison data, most councils sent the data in calendar year format, but some sent it in financial year format. In all instances, calendar year format has been used and any financial year versions are inputted in the former calendar year (e.g. 2021/2022 would fall under 2021). Some councils sent only a total figure, so this was used.

Enforcement – guidance or threat?

Walking the tightrope of providing guidance to residents and recovering council tax arrears to fund essential local authority services is no doubt difficult. Whilst necessary to recoup funds, it's fair to ask whether councils allow genuine room to repay in a way that does not cause hardship or deepen problem debt.

The regulations are permissive, helping to shape how councils approach recovery of council tax debt. Generally, the process begins with reminder letters and then a final notice, at which point the full year's council tax is owed. In some cases, councils use discretionary communications within the process. The resident is then sent a summons to court, where the council will seek a liability order, which allows the council to begin enforcement action.⁷

Our FOI request found that the majority of councils (82%) make clear in their first letter that a court summons could follow if residents were not to pay their arrears, which rises to almost all (98%) by the final letter. It also found that over a third (36%) mentioned enforcement or debt recovery in the first letter. By the final letter, half of all local authorities (50%) mention enforcement.

Case studies

Various local authorities have supportive messaging. One council would waive

their right to claim the full year's bill after a missed payment if a direct debt was agreed. Another had a range of discretionary letters which were used if a vulnerability was flagged. One council was supportive, saying: *"don't worry, we can get you back on track."*

However, some of the more punitively worded letters may stand only to entrench existing worries around council tax arrears. One council's first reminder letter was produced in red font, and another first reminder used red font with immediate mention of a liability order. A separate council's first reminder letter illustrates a flowchart ending at court, with another first reminder letter simply a one-sided letter with no signposting and no support, just a payment request.

Many made statements such as *"XX% of people in [relevant council area] pay by their council tax on time..."*. Whilst this framing might be intended to increase recovery rates, they also run the risk of alienating those needing support.

In the current climate of inconsistent communications, it's perhaps unsurprising that our previous research found that four in five (85%) clients said the communications they received from their council about their arrears made them feel scared, anxious or depressed – while two thirds felt helpless (67%) or overwhelmed (66%) as a result.⁸

Imprisonment in communications

Existing rules in The Council Tax (Administration and Enforcement) Regulations 1992 retain a final sanction of imprisonment for, specifically, “wilful refusal” or “culpable neglect” in the case of council tax non-payment. We have long campaigned for the Government to revoke this sanction at a central level, which – rather than sustainably helping an individual to repay – generates substantial harm.

Whilst just two people have been committed to prison over the past five years, the implicit, or in some cases explicit, threat, remains.⁹ Even on the GOV.UK website, there is bolded writing with an exclamation mark outlining residents “can be sent to prison for three months.”¹⁰ Interesting, England now remains the only nation within the United Kingdom to retain the power.¹¹

Our FOI found that one in twenty (5%) councils in England directly reference prison in their initial letter to residents in arrears. This rises slightly to 6% by the final notice. Whilst a minority, it is still alarming that these features remain –

especially in initial contact – when the overall likelihood of imprisonment for non-payment of council tax is so low, following R (Woolcock) v Secretary of State for Communities and Local Government in 2018. This position was reconfirmed by central Government in the notes of a Written Parliamentary Question in 2025.^{12 13}

Case studies

As is often the theme with elements of council tax, it remains a postcode lottery in the way local authorities manage communications. Some council letters mention prison in a kind of legalese – outlining to residents this is a possibility retained under the regulation.

Others, however, make direct reference and actively emphasise it. One council has the below flow chart on the first page of the first reminder letter. This implies to those in arrears that there is a likelihood that they will face committal to prison – without providing context about the very specific circumstances in which this is legally possible.

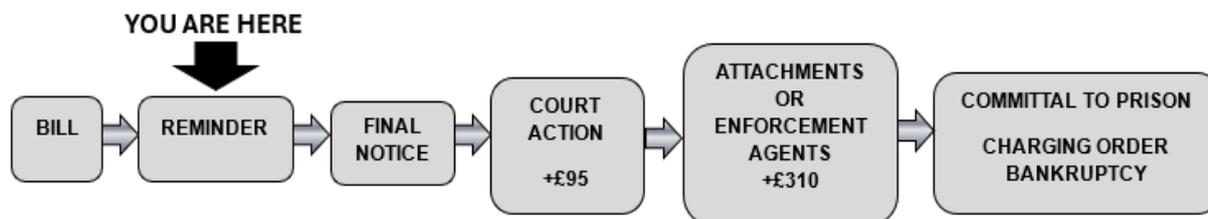


Figure 1: excerpt of a flowchart on a local authority's first reminder template letter.

Imprisonment in practice

The right to instigate, and actually instigating, prison proceedings, are two very different things. Our FOI found that most of the councils who responded (83%) made clear that they had instigated zero cases in the period since 2020. Many responded saying their policy is to not instigate prison proceedings against people in arrears.

This again reaffirms the council tax postcode lottery – one policy in one area may be distinct from another, meaning people separated by a street may be treated completely differently over the same financial circumstances. Of the forty responding local authorities, there were a total of 1,528 cases, concentrated in ten council areas.

| Local Authority | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Total |
|-----------------------------|------|------|------|------|------|------|-------|
| Havant | 17 | 16 | 86 | 112 | 44 | 2 | 277 |
| Wiltshire UA | 0 | 37 | 65 | 53 | 77 | 40 | 272 |
| Kings Lynn and West Norfolk | 0 | 7 | 74 | 42 | 58 | 18 | 199 |
| Coventry | 0 | 0 | 0 | 18 | 90 | 27 | 135 |
| Bolton | 0 | 0 | 13 | 38 | 44 | 22 | 117 |
| Rushcliffe | 0 | 3 | 28 | 37 | 29 | 20 | 117 |
| Cornwall UA | 0 | 14 | 19 | 13 | 40 | 15 | 101 |
| Stoke-on-Trent* | | | | | | | 96 |
| North Yorkshire | 5 | 0 | 36 | 14 | 0 | 0 | 55 |
| Great Yarmouth | 10 | 0 | 12 | 7 | 3 | 13 | 45 |

Figure 2: the ten local authorities who used prison proceedings most often to recoup council tax. Source: StepChange FOI Request. *Stoke Council gave only the total figure since 2020.

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|---------------------------|------|------|------|------|------|
| Prison committal cases | 1 | 1 | 0 | 2 | 0 |
| Suspended sentences cases | 66 | 15 | 24 | 19 | 19 |

Figure 3: prison committal and suspended sentences. Source: Ministry of Justice

What's more, as mentioned England is an anomaly as the only country in the UK where the option to commit people to prison for non-payment of council tax remains possible. In Wales, this sanction was revoked in 2019, with its "outdated and disproportionate" nature recognised by the Welsh Government. Crucially, statistical analysis found that the removal of the sanction has not affected council tax collection rates in Wales.¹⁴

Recommendations for best practice

Looking through the keyhole drew on a wealth of quantitative and qualitative data to demonstrate the flaws in the current council tax collection system. As part of a wider set of policy recommendations, it asked central Government to introduce a set of national binding standards for council tax debt collection through a statutory protocol and bring local government under the purview of the Debt Fairness Charter.^{15 16}

This piece of supplementary work shines a light on the way in which councils communicate with residents who have missed payments. What is revealed, based on the sample, is a postcode lottery at the heart of the communications system.

As such, in the current absence of binding national standards, StepChange is outlining steps individual local authorities can take in the meantime to show best practice and support those in financial difficulty when collecting arrears, to give room to repay:

1. Establish pre-arrears identification and early intervention policies, working with partners including debt advice charities to establish solutions and support for residents at risk of, or in, arrears.
2. Make proactive and empathetic efforts to contact individuals who

have fallen behind, effectively explaining the options and support available for those who cannot pay in full, accommodating support needs and communication preferences where possible.

3. Monitor, test and adapt communications to create an environment where people behind on council tax are confident to seek help and understand their options, the support available and next steps, ensuring communications are designed using simple, non-technical language.
4. Commit to end the use of prison proceedings in the collection of council tax arrears. This applies to instigating prison proceedings, but also to explicit mention of prison on any letters, including additional discretionary letters referencing prison.



References

- 1 StepChange Debt Charity (2024). [*Looking through the keyhole*](#), p3–6.
- 2 Local Government Finance Act 1992, Part I, Chapter III, Section 32.
- 3 Ministry of Housing, Communities, and Local Government, [Council Tax levels set by local authorities in England 2025 to 2026](#).
- 4 HM Government (2024), Debt Fairness Charter, [Debt Fairness Charter](#).
- 5 The Council Tax (Administration and Enforcement) Regulations 1992, 33–44.
- 6 Council Tax Regulations, Part VI, Regulation 47.
- 7 Council Tax Regulations, Part V, Regulation 23.
- 8 StepChange, *Looking through the keyhole*, p27.
- 9 Written Parliamentary Question 23550 (2025), 'Council Tax: Non-payment,' Phil Brickell MP, <https://questions-statements.parliament.uk/written-questions/detail/2025-01-13/23550/>.
- 10 GOV.UK, [Pay Council Tax arrears](#).
- 11 BBC (2018), '[Prison sentences for council tax debts to end in Wales - BBC News](#)' <https://www.bbc.co.uk/news/uk-wales-politics-46061303>; The Guardian (2019), '[The woman jailed for a £4,752 council tax debt she could not pay.](#)'
- 12 R (Woolcock) v Secretary of State for Communities and Local Government [2018], High Court of England and Wales (council tax enforcement and committal to prison).
- 13 Written Parliamentary Question 23550.
- 14 Welsh Government and Policy in Practice (2023), "[Understanding the impact of Council Tax Interventions in Wales: The Removal of the Sanction of Imprisonment for Non-Payment of Council Tax.](#)"
- 15 StepChange, *Looking through the keyhole*, p6.
16. StepChange, *Looking through the keyhole*, p42.

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StepChange Debt Charity seeks to create a society free from problem debt and is the leading non-profit provider of debt advice.

For more insight on debt research, visit the StepChange Debt Charity website.

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