



Florence Eshalomi MP
Chair
Housing, Communities and Local Government Committee
House of Commons
London
SW1A 0AA

2nd December 2024

Dear Florence,

Congratulations on your recent election as Chair of the Housing, Communities and Local Government Committee. We look forward to working with you, and supporting your Committee with its important work.

We write to you as a group of organisations seeking to improve council tax collection for both residents and councils, and to highlight the urgent need for reform. We would welcome a meeting with you as Chair of the new committee, and we also ask that you consider holding a Ministerial session on this important issue.

Council tax costs have risen significantly in recent years while the financial assistance available to help low-income households with this bill has fallen since the localisation of council tax support in 2013. This context, coupled with enduring cost of living challenges, has led to a situation where **council tax arrears in England and Wales have now reached £6.2 billion – rising by £528 million in the last year alone.**

Recent research by our respective organisations has highlighted several pressing concerns about current council tax debt collection rules and practices, which suggest the existing system is compounding personal and financial difficulty:

- **The current standard of engagement from councils pushes struggling residents away from support and negatively impacts wellbeing.** Over four in five (85%) StepChange debt advice clients said the communications they received from their council about their arrears made them feel scared, anxious or depressed.
- **The existing regulatory regime encourages councils to revoke a resident's ability to pay their council tax bill in instalments within three weeks of a single missed payment, and make them liable for the annual bill.** This is leaving the 91% of people in arrears who couldn't afford a bill of £1000 faced with enormous financial insecurity.
- **Councils are over-reliant on bailiff enforcement action to collect on debts – and this can lead to concerning outcomes.** A recent FOI by the Money Advice Trust and the Centre for Social Justice found that 2.7 million debts were referred to bailiffs by councils in England and Wales in 2022/23.

We recognise that local authorities are under significant financial pressure, and that council tax is crucial for providing local services. **But we believe central government must lead the change required to bring about fairer and more supportive collection practices which will provide a better experience for residents, while ensuring collection rates remain high.** The changes we are recommending are straightforward and cost-effective, and research from Policy in Practice shows that better collection practice does not lead to a collapse in council tax revenue.

As we're sure you're aware, this is not the first time this committee has taken on the challenge of council tax debt collection. In 2023, the then-Levelling Up Committee produced an [important report on Council Tax Collection](#), highlighting the need to improve collection practices.

Recommendations from the report included better embedding residents' ability to pay in the collection process; introducing a statutory code of practice for councils to follow; ensuring that bailiffs should only ever be used as a last resort; and that the government should give the new Enforcement Conduct Board – created to provide oversight of the bailiff industry for the first time – statutory powers.

Unfortunately, the previous government's response did not acknowledge or act on the harm identified through the Committee's report. With a new government now in place, we hope there is appetite to engage critically with the findings of that report, and of subsequent research highlighting where these recommendations could go further.

We appreciate your Committee will have a number of priorities. However, we believe this is an essential challenge this committee must address for both communities and local government.

We would like to reiterate our request for a meeting with you, and the Committee Clerk, to discuss our shared ideas on how to reform collection practices and improve support for those struggling with their council tax bills.

We would also ask you to consider holding a Ministerial session on progress to improve council tax collection.

The best contact for your office is Jasmin Dhaliwal on jasmin.dhaliwal@moneyadvicetrust.org. We'd be happy to host this in Westminster or virtually if you'd prefer.

We look forward to hearing from you.

Yours sincerely,

Money Advice Trust

StepChange Debt Charity

Policy in Practice

Christians Against Poverty

Money and Mental Health Policy Institute

Citizens Advice

Debt Justice

Aberlour Children's Charity