

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

## PE1897/E – Reform certain of the procedures for the collection of Council Tax

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.