South Oxfordshire District Council — Listening Learning Leading | Vale of White Horse District Council

Improving Enforcement of Council Tax

Question 1: How many reminder notices (including discretionary reminder notices) did you issue to households ahead of a final notice for 2025-26? Please provide any further details of the notices you provide e.g. how and when these are sent.

We will issue one formal Reminder Notice where no payment has been received after a minimum of 14 days of the instalment due date. Where a taxpayer makes payment following a reminder but subsequently defaults again, a second formal Reminder Notice will be issued.

Prior to issuing either a first or second formal Reminder Notice, we take a proactive approach by issuing informal payment reminders ("nudges") after seven days of the instalment due date. These reminders are delivered through available communication channels, including SMS, email, and telephone, with the aim of encouraging payment and preventing escalation to the formal recovery process. We run a monthly recovery cycle, which means no further action is taken until a full month has elapsed since that last notice was sent.

Question 2: Do you agree that one reminder notice and one final notice should be the minimum requirement for councils?

Multiple choice options:

- **yes: councils should send one reminder notice and one final notice**
- **no: councils should be required to send at least 2 least reminder notices before they issue a final notice.**
- **no: councils should decide how many reminder notices to send in the 63-day period**
- **no: any other reason**

Please explain your answer – with any evidence where available.

Yes, we feel we do have the correct balance, especially with issuing payment prompts ahead of any recovery action progressing. Furthermore, even where a final notice may have been issued we will always encourage contact to be made, as we will reinstate instalment plans and offer more flexible arrangements where possible. The key challenge is often not the availability of support or payment options but securing engagement from households. Final Notices tend to trigger first contact.

Question 3: What other information, if any, should be included in the reminder notices. Please tick all applicable from below.

- **signpost to debt advice providers**
- **signpost to councils to discuss payment plans**
- **signpost to information about discounts, exemptions, disregards reductions and other support for which a taxpayer may be eligible. Include a link on information on support in the system**
- **signpost to other money and welfare services within the council**
- **other suggestions [open text response]**
- **none of the above – this requirement should apply to final notices only (include open text to explain reasoning)**

Signposting to our council tax website, where people can view a lot of information and help where they are having difficulties in paying. They can also create an online portal account to view their council tax account, make arrangements, amend their payment plans etc.

Question 4: The government is proposing that reminder notices and final notices should set out the actions that councils may take to enforce council tax debt in simple, factual, non-threatening language and proportional to the level of notice.

For example, information on reminder notices should focus on encouraging taxpayers to seek help with their bills, while more detailed information on formal enforcement actions should be reserved for the final notice.

Do you agree with this? Please share any best practice on how you approach this.

No, we do not agree that information about potential enforcement action should be reserved primarily for the Final Notice stage.

We believe it is important that all recovery notices, including first reminders, second reminders and final notices, clearly and transparently set out the consequences of continued non-payment and non-engagement. This information should be presented in plain, factual language. Customers should have a full understanding from the outset of the recovery process and the actions that may follow if the debt remains unpaid.

Early transparency helps households make informed decisions and encourages timely engagement. Where recovery action may ultimately result in a summons, the application of costs, or referral to enforcement agents, it is appropriate that customers are made aware of these potential outcomes at the earliest opportunity. Failure to provide this information could lead to complaints from customers who feel that the escalation process was not adequately explained. We are particularly concerned that delaying detailed information until the Final Notice stage may be counterproductive. By that point, the taxpayer's statutory right to pay by instalments has already been lost. Earlier communication about the potential consequences of non-payment provides a greater opportunity for customers to engage, seek advice and agree affordable payment arrangements before matters escalate.

There is also a risk that overly soft messaging in the early stages could unintentionally reduce the urgency of the situation, leading some households to delay engagement. This may ultimately result in worse outcomes for customers, including increased costs and more formal recovery action.

Our current approach is to combine supportive messaging with clear information about the recovery process from the outset. Reminder notices encourage customers to contact us, seek assistance, discuss payment difficulties and access any support to which they may be entitled. At the same time, they explain the potential next steps in the recovery process in a clear, proportionate and factual manner. We believe this strikes the right balance between supporting vulnerable households and ensuring that customers understand the importance of responding promptly. It is a statutory tax, not a discretionary payment for services.

Question 5: Should the government prescribe a template to use for these letters to enable consistency across England?

Multiple choice option:

- **yes: there should be a mandatory template, with its use set out in regulations**
- **no: however, it might be useful to provide a universal template which is optional and set out in guidance**
- **no: a template is unnecessary and should not be provided**

- **any other suggestion**

Please explain your reasoning.

This would indeed provide consistency and would be a sensible approach

Question 6: Do you agree with the proposal as set out above?

- **yes**
- **no**

Explain your answer.

No, we do not agree with this proposal.

Whilst we support clear communication and providing residents with reasonable opportunities to pay and engage, the proposed timescales would introduce delays into the recovery process. In our experience, this is unlikely to improve outcomes for either councils or residents.

Many customers who fall into arrears do not engage at the early stages of recovery, despite payment nudges, reminders and opportunities to seek assistance. Extending the period regarding the Final Notice and loss of instalments means that debts will continue to increase, making it more difficult for residents to bring their accounts up to date and reducing the likelihood of affordable and sustainable repayment arrangements being agreed.

We are particularly concerned that requiring a minimum of 41 days before a Final Notice can be issued, followed by a further 21-day period before the full balance becomes due (62 days), could result in residents accruing additional arrears whilst no meaningful engagement is taking place. This may ultimately worsen financial hardship rather than alleviate it.

In practice, the progression of recovery action to final notice or later is often the trigger that prompts a resident to make contact and engage with the council. Delaying that progression risks prolonging non-payment without changing behaviour.

There is also a cohort of persistent non-payers who routinely ignore recovery notices and opportunities for support. Similarly, cases involving individuals who subscribe to "Freeman on the Land" or similar beliefs are unlikely to be influenced by extended recovery timescales and may simply view the additional stages as further delay before enforcement action can be taken.

We believe we have got our recovery programme about right, offering flexibility and providing reasonable opportunities to pay, engage and access support have been given, both before and after recovery action has advanced. The focus should be on early intervention, clear communication and encouraging engagement, rather than introducing lengthy delays which may increase arrears and ultimately lead to poorer outcomes for residents.

Question 7: What barriers do councils anticipate in implementing the proposed changes to reminder and final notices as set out above?

Please tick all applicable from below:

- **need for additional staff training or capability**
- **changes required to IT systems or digital processes**
- **additional administrative complexity**
- **additional costs to the council (e.g. additional staffing costs)**
- **difficulty aligning the proposed changes with existing recovery processes**
- **data-sharing or information-sharing constraints**
- **communications or accessibility barriers**

- **no significant barriers**
- **other (please specify)**

Please provide evidence to support your answer.

Question 8: Which of the following policy options do you feel could have a positive impact in supporting taxpayers with their council tax payments?

- **offering alternative repayment arrangements (e.g. setting up voluntary deduction plans with employers)**
- **flexible payment options (e.g. agreeing bespoke payment plans like weekly payments)**
- **using tailored and alternative sources of communication (text, phone, emails, post)**
- **conducting welfare checks**
- **referral and handover to in house or external debt advisors**
- **signpost to money advice services and debt advice providers**
- **none of the above**
- **other (please specify)**

Please explain your answer

We already offer flexible payment options, alternative sources of communication, informal 'soft' payment nudges via SMS (email, phone, text) and signpost to debt advice agencies. We also offer online portal access to enable households to better manage their council tax account themselves.

The online portal allows taxpayers to adjust their instalment date, change payment plans, set up more bespoke arrangements and also view their account so they are aware what the position is. These online account facilities also offer a wide range of help and advice and is very popular.

The voluntary deductions from employers sounds positive but in practice it is unclear how beneficial this would be. Without the Liability Order there is no requirement for the employers to do anything, or go out of their way setting bespoke instructions up.

Conducting welfare checks where deemed appropriate does also happen, however, this is only where certain detail has been established or made available to the council. Doing this as standard across all households/debtors would create significant extra workload. The council would have concerns here.

Question 9: Please provide examples of existing practices in your local authority which supports taxpayers with their council tax debt.

Our authority adopts a proactive and supportive approach to Council Tax collection, with a strong emphasis on early intervention, engagement and sustainable repayment arrangements.

As detailed elsewhere in our response, we have found the use of informal payment prompts ("soft nudges") via email, SMS text messaging and telephone contact to be highly effective. These communications encourage taxpayers to engage and take action before any formal recovery notice is issued. Early performance data indicated that this approach reduced the number of formal reminder notices issued by up to 20 per cent, demonstrating the value of early intervention. This pre-recovery stage has now been embedded within our annual recovery timetable for a number of years.

At every stage of the recovery process we seek wherever possible to resolve cases through engagement rather than enforcement. Where a taxpayer contacts us, we will consider individual circumstances and seek to agree realistic and sustainable payment arrangements. This can result in recovery action being withdrawn, revised instalment plans being agreed, or other mutually acceptable solutions being put in place.

We actively promote payment by Direct Debit where appropriate, as this helps taxpayers maintain their payment arrangements and reduces the likelihood of future arrears. We also encourage customers to contact us at the earliest opportunity if they are experiencing financial difficulties so that support options can be explored before debts escalate.

Where taxpayers have accumulated arrears across multiple financial years, our preferred approach is to get these arrears ring-fenced and to focus first on maintaining the current year's liability while agreeing an affordable repayment plan to chip away at historic debt. This enables taxpayers to regain control of their finances without continually falling further into arrears and helps break that chain of repeated recovery action and additional costs.

In our experience, the most effective support measure is encouraging meaningful engagement at the earliest possible stage. The vast majority of cases that make contact can be resolved through discussion, tailored repayment arrangements and practical support. For this reason, we prioritise early communication and multiple contact channels rather than resource-intensive interventions such as routine home visits.

Overall, our approach is based on early intervention, clear communication and flexible repayment arrangements with taxpayers. We believe this delivers better outcomes for both residents and the authority while ensuring that recovery action remains proportionate and fair.

Question 10: What other practices do you think councils should consider, which could be included in the guidance?

We believe the current framework already provides councils with significant flexibility to support taxpayers whilst maintaining an effective collection process. In our view, it is important that any additional guidance continues to recognise the need to balance support and engagement with the requirement to collect Council Tax efficiently and fairly. A clear and structured recovery process remains essential, as the absence of meaningful consequences for non-payment risks undermining payment compliance more generally.

One area that we believe warrants further consideration is the increased use of Attachment of Earnings Orders and other deductions at source as an alternative to Enforcement Agent action. In many cases, these methods can provide a more sustainable and less intrusive means of recovering debt, delivering better outcomes for both the taxpayer and the council.

To support this approach, consideration should be given to improving data-sharing arrangements between local authorities and HMRC, particularly in relation to employment information. Access to more timely and accurate employment data would allow councils to identify suitable cases earlier and make greater use of Attachment of Earnings Orders before debts escalate or are referred to Enforcement Agents.

More generally, guidance should continue to encourage early intervention, proactive communication, flexible repayment arrangements and the use of digital contact methods such as SMS and email. Our experience is that these measures are often the most effective means of securing engagement and preventing cases from progressing further into the recovery process. We would be supportive of measures that reduce reliance on Enforcement Agents where appropriate, but these should focus on providing councils with more effective alternative recovery tools rather than introducing additional delays into the recovery process itself.

Question 11: What challenges do councils face in identifying vulnerability or hardship at pre-enforcement stage?

- **limited data on households and data-sharing constraints**
- **reliance on self-disclosure, meaning vulnerabilities go unreported until enforcement begins**
- **difficulty distinguishing between temporary and long-term financial vulnerabilities**
- **capacity and resource constraints of the council which mean they are unable to effectively engage at an early stage**
- **language and accessibility barriers**
- **digital exclusion leading to low engagement**
- **no significant challenges**
- **any other (please specify)**
    - **Councils must also ensure that vulnerability assessments are evidence-based and applied consistently.**

Please include evidence of any stated above.

Whilst many residents genuinely require additional support, there are occasions where vulnerability is cited without supporting information or where circumstances do not necessarily affect a person's ability to manage their financial obligations. For example, characteristics such as age alone do not automatically indicate vulnerability. It can therefore be challenging to distinguish genuine cases requiring support from situations where vulnerability is being asserted primarily to delay or frustrate the recovery process. This is why supporting evidence is often necessary when assessing requests for additional consideration.

Similarly, perceptions of financial hardship can vary considerably between individuals. What one person regards as hardship may differ from the council's assessment of whether there is severe or acute financial difficulty. Councils therefore require sufficient financial information to make informed decisions and ensure support is targeted appropriately.

We have found that the Means Enquiry Form (MEF) provides taxpayers with an opportunity to set out their household income, expenditure, other debts and proposed repayment arrangements. However, despite this opportunity, return rates are typically low. Where forms are not completed and engagement is limited, councils often have very little information about a household's financial circumstances, priority debts or support needs, making it difficult to identify vulnerability or assess affordability at an early stage.

Ultimately, the greatest challenge is often not a lack of willingness by councils to provide support, but a lack of engagement from some taxpayers. Earlier and more effective sharing of relevant information, combined with improved engagement from residents, would significantly enhance councils' ability to identify vulnerability and hardship before enforcement action becomes necessary.

Question 12: What information or evidence do councils currently use at the pre-enforcement stage to assess whether a household is unable or unwilling to pay their council tax bill?

- **information provided directly by the household, including contact from the taxpayer or their representative**
- **previous payment history and patterns of non-payment**
- **information already held by the council, including records of council tax support or other local authority services**
- **information shared by other public bodies or partner organisations**
- **indicators of non-engagement, including repeated non-response to council communications**
- **professional judgement based on caseworker experience**
- **no specific information or evidence is used at this stage**

- **any other information or evidence (please specify)**

As outlined above, one of the most valuable sources of information used to assess a household's ability to pay is a completed Means Enquiry Form (MEF). These are issued on request, where affordability concerns are raised during customer contact, and routinely alongside our 14-day Liability Order warning letters prior to any further enforcement action being considered. However, completion rates are often low.

We also consider information provided directly by the taxpayer or their representative, including details of income, expenditure, debts, health issues or other circumstances affecting their ability to pay. In addition, we use information already held by the council, such as Council Tax Support records and previous payment history, together with any relevant information shared by partner organisations or other public bodies where available.

Where a customer is receiving support from a debt advice agency, we will also consider affordability assessments and repayment proposals submitted on their behalf. Collectively, this information helps us determine whether non-payment is due to an inability to pay, an unwillingness to pay, or a lack of engagement.

Question 13: What other tools or flexibilities would assist councils in distinguishing between households experiencing genuine hardship and those who are deliberately not paying at the pre-enforcement stage? Please explain.

Improved data sharing between councils, HMRC and the DWP would significantly assist. Access to employment and earnings information would provide a clearer understanding of a taxpayer's financial circumstances and ability to pay. This would also improve the use of Attachment of Earnings Orders to help councils deal with those who have the means to pay but repeatedly choose not to engage or make payment. This is often a more effective and less intrusive recovery method than Enforcement Agent action.

These measures would help ensure support is targeted towards those experiencing genuine hardship, whilst enabling appropriate action to be taken against persistent non-payers and those who deliberately refuse to engage with the Council Tax recovery process.

Question 14: What additional tools or flexibilities would assist councils in dealing with those who are considered to be deliberately choosing not to pay their council tax bills? Please explain.

As covered under Q.13. Employment details is key.

Question 15: What impact, if any, do you think the proposed changes will have on councils' ability to collect council tax effectively?

Please provide evidence where possible, including any anticipated impact on recovery timelines, in-year collection rates, taxpayer compliance, and administrative burden.

It will certainly impact on recovery timelines and delay payment, which in turn will affect in-year collection rates. It will also change households' behaviour as they will know they have longer before they need to do anything and, in many cases, it will simply be kicking the can further down the road so to speak. Ultimately, it could have a negative impact on some households as for those that use the threat of enforcement as the driver for reaching out and making contact will be much further in arrears than previously would have been the case, making it even harder for suitable arrangements to be reached and therefore reduce options. Taxpayer compliance and administrative burden will also be impacted by these changes.

Question 16: Please use this section to share views on anything else, related to changes to council tax collection and enforcement, which you feel has not been covered.

No further comments.

Question 17: Do you have any views on whether these changes will have any disproportionate impacts on any particular groups with protected characteristics compared to others?

No.