



**Understanding the Drivers Behind The Accrual of Council Tax Arrears**

**FINAL REPORT**

**9 February 2023**



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## Executive Summary

Six one to one telephone interviews and one focus group were carried out with advisers from CAB. Findings from these was used to develop a questionnaire for interviews with 16 members of the public who had sought help from CAB for Council tax arrears.

### Summary of points made by CAB advisers

The main points arising from the CAB advisers were as follows:

#### Scenarios of clients presenting with Council Tax arrears

- People with an income of around £1370 net per month have to pay all Council Tax with no reduction, so they are the most financially squeezed.
- Council Tax is usually accompanied by other debts.
- Often people have been in Council Tax debt before.

#### The point at which clients seek help from CAB

- The Council will typically have been in touch by letter but that is often disregarded.
- If the person takes no action to pay the arrears, the Council passes the case to the Sheriff Officer.
- The typical point when people contact CAB is when they have received a letter from the Sheriff Officer, or there has been a wage arrestment.
- The arrears have often been triggered by job loss, reduction in hours, change in household circumstances.
- Clients often don't know that an arrestment is only for arrears and is not paying the ongoing Council Tax.

#### Tipping points for not paying Council Tax

- People generally don't know about what the Council does for them, so they don't understand the importance of Council Tax.
- People are just no longer able to juggle all their credit commitments. Council Tax seems to them to be an easy one to ignore because there are no immediate consequences.
- People are worried about their credit rating and creditors who stress this tend to get paid first.
- People will pay for things when they see a tangible benefit, like broadband or food, but they do not see a tangible benefit from Council Tax.

#### Actions taken by Councils

- Councils can be quite aggressive in recovering debt because they want it within the financial year, so it goes to the Sheriff Officer quickly.
- People get two letters and then there is a charge for payment notification, but it will have gone to the Sheriff at this point, this is too quick and not enough human contact from the Council.
- Sheriff Officers push for the highest they can get out of people when they should use a table of triggers that measure affordability. They use aggressive bargaining instead.

- People they may be eligible for a reduction, but this needs to be negotiated before the case goes to the Sheriff Officer.
- There should be more contact between Council and Council Taxpayers. The first step should be a phone call, a human contact not a letter. Preventing debt should be the chief focus rather than reaction after debt has occurred.

#### **The social and mental states of clients who present for advice**

- By the time people have fallen behind with financial commitments their anxiety levels are very high, and they may no longer be able to work or carry out “normal” functions.
- It is very stressful for people when the Sheriff Officer makes contact, it ramps up the anxieties. Then comes a reduction in benefit which is not negotiated, just enforced.
- Multiple debt is associated more strongly with mental health issues.

#### **Summary of points from Interviews with members of the public**

##### **Respondents’ financial position**

- The majority of interviewees were working with most of these saying that wages are their main source of income. Some were in receipt of benefits in addition to wages and the remainder had benefits only.
- Low incomes and struggling to pay the bills were a constant feature amongst interviewees.
- Managing towards the end of the month or benefits payment period is clearly a struggle for some.

##### **Knowledge of Council Tax**

- Very few of the interviewees had a comprehensive knowledge of Council Tax or what services the Council provided in return.
- Most respondents agreed that Council Tax is something that everyone should pay.
- Some argued that people who live on low incomes or who are in marginalised groups, single parent households, people with substance issues, people with mental health problems, people living in deprived areas, should not have to pay at the current level.

##### **Priorities that come before paying Council Tax**

- For most interviewees, Council Tax was not seen as one of the basic essentials.
- Most put food, rent/mortgage, gas, electricity, clothing and heating before Council Tax. When there is not enough money to go around, the basic essentials come first and Council Tax is paid only if there is enough money left over.
- Depending on the person’s circumstances, for example if they are working or if they have children of school age, running a car or maintaining broadband for their children’s schoolwork has a higher priority than Council tax.

##### **Council Tax level.**

- Some of the interviewees had applied for Council Tax reductions and some had received it.
- With many of the interviewees working, some fell just above the threshold at which a reduction was available.

- Some reported that the level of Council Tax varied each month as their income level was not constant.
- Some interviewees said that they were in receipt of a reduction when they fell into arrears, because the reduction was not enough to enable them to pay.

#### **Circumstances at the time of going into arrears with Council Tax**

- For many, a change of employment or life circumstances was the trigger for going into Council Tax arrears. This often led to reduced income and/or to a reduced capacity to handle debt.
- Most wanted to pay, most knew they should pay, but their financial circumstances dictated what they could and could not afford. Rent, food, heat, gas, electricity, motoring costs, phone and broadband were of higher priority.
- Benefit delays or uneven levels of benefit payments were a factor for some when they fell into arrears with their Council Tax.
- For some, problems with Council tax started because of reduced income during COVID. The problem was compounded by not being able to make contact with the Council because of COVID restrictions or shortage of staff.
- Not paying Council Tax was perceived to carry less immediate consequences than stopping payments on other bills.

#### **Contact from the Council regarding Council Tax arrears.**

- Some did not know they were in arrears because they were paying off arrears from a previous year and assumed that this included their current Council Tax liability
- Others received letters from the Council but did not read them because they feared what would be inside. Ignoring mail was a common feature amongst those who were in Council Tax arrears.
- Some said that they got letters about the Council Tax and, before they could act upon it, this was followed up very quickly by contact from the Sheriff Officer. Some said that their case was referred to the Sheriff Officer after just one letter.
- The majority said that the Council should make contact in person instead of by letter; a human touch would be preferred with someone who could explain the arrears and work through the options for payment.

#### **Contact from the Sheriff Officer regarding Council Tax arrears.**

- When a Sheriff Officer did make contact, it was usually by letter. Some interviewees reported that they ignored the letters and then a Sheriff Officer came to their door.
- The Sheriff Officer typically allowed no room for negotiation, just a demand for a certain amount to be paid.
- Some interviewees, especially those who had dealt with the Sheriff Officer before were relaxed about being contacted about their arrears. Others were upset by the experience and described it as aggressive and stressful.

### Financial impact of paying off arrears

- Most interviewees cut all other spending right back in order to pay arrears.
- Some said that they are going without basic essentials, for example skipping meals or turning off heating, in order to pay the arrears.
- Some said that they would have preferred to negotiate a small amount to pay so that they could manage it better.
- Some stopped paying other bills in order to pay the arrears, resulting in debt being racked up elsewhere

### Getting help from CAB

- Most of the interviewees had waited until things reached a crisis point before contacting CAB.
- As a result, the matter was usually with the Sheriff Officer when they made CAB contact and the options for payment were more limited.
- Interviewees had very high praise for CAB and how they helped.
- As well as helping to resolve matters, whether that was through bankruptcy, trust deed, payment plans or just empowering the client, CAB helped to calm anxieties by putting process in place of pressure.

### Suggestions for improvement and change

- Many interviewees said that Council Tax should be made more affordable for those on low incomes.
- Interviewees said that they wanted to see a more human approach from the Council. They felt that the Council approach focused entirely on “you must pay” and not enough on “how can we help you to pay”.
- Some thought that Councils could do more to explain to residents what Council tax is for.
- Some suggested that it should be easier for people to see their Council Tax account online so that they could keep tabs on it.
- Thought should be given as to helping people balance the payment of arrears with paying for the current year Council Tax bill.
- Finally, there was a call from interviewees for more information on where to seek advice and help. Some said that this should be part of any bill or letter that the Council sends out.

### Discussion and conclusions

People who fall into arrears with their Council Tax almost always do so because they do not have enough money to go around. Typically, they are in receipt of benefits or working with an income just above the threshold where they could get a reduction in their Council Tax.

Whilst knowledge of what Council Tax pays for is low, most people know that they should pay it. The exception in this research is young people who, at the time they went into Council Tax arrears, were not aware of their responsibilities as adults and citizens.

Council Tax arrears are often accompanied by debt in other areas of the person’s life. Lifelong poverty has resulted in them constantly juggling bills, paying what they can when they can. Whilst this might be a functional response to many lenders, it is not a method that works with Council Tax. Typically, people are sent a letter after one missed payment and are contacted by a Sheriff Officer after two missed payments.

This research shows that people who find it hard to make ends meet, or who are already in debt, are often afraid to open their mail. Letters go unopened or are put in the bin. This leads to cases going to the Sheriff Officer that might be capable of being resolved if the Council were to make personal contact with the person.

Yet there appears to be little or no human contact between Council staff and those who fall into arrears. The process appears to be focused solely on recovery of the debt, not on the circumstances of the person or the reasons why they have fallen behind with payments. This leads to a process that is perceived to be harsh and inflexible. People's experience when Councils refer the case to the Sheriff Officer, is one where an amount for repayment is demanded without negotiation or taking into account the person's ability to pay.

All of the interviewees in this study had received help from CAB. The level of satisfaction with this help was 100%. CAB had been able to help practically, but also were able to take some of the anxiety out of the situation through a logical approach to handling debt.

When it comes to paying off the arrears, most people find it difficult. These are people who were finding it hard to get by before the wage arrestment or benefit reduction, yet they are expected to cope financially with the extra burden of paying arrears. This makes it difficult for people to get out of the debt cycle, though some in the research had managed to do that. The human cost, however, is evidenced by people going without food, heat and other basic essential in order to pay the Council Tax arrears.

The current cost of living crisis is likely to make things worse for people who are struggling to pay their Council Tax. People need to be able to find out easily if they are entitled to Council tax reductions. Furthermore, reductions that they are eligible for should be applied retrospectively, after all, they are entitled to it. Moving forward, the process of clawing back arrears needs to be done in a more charitable way. People do not want to be in debt. The goal should be to help them to pay arrears in a way that does not compromise their ongoing finances or force them into doing without heat or food.

**Summary recommendations are:**

- Information should be sent to every home about financial responsibility and the consequences of not paying Council Tax. This should also include information on benefits, dealing with reminders, what Council Tax is for and where to go to seek advice.
- There should be more contact between Council and Council Tax payers, especially in the early stages of arrears. The first step should be human contact from the Council, not a letter.
- Preventing debt should be the focus of dealing with arrears rather than a reactive process after debt has already occurred.
- Councils need to examine customer accounts and flag vulnerable people who need more help and information.
- There needs to be a more joined up approach, an inter-organisational support system that includes Councils, Council tax payers, CAB and social services.

## 1 Introduction

### 1.1 Background

Citizens Advice Scotland (CAS) appointed Social Market research to undertake research into the accrual of Council Tax arrears

Council tax debt is growing in Scotland. CAS research in 2019 suggested that its clients were almost £7 million in arrears with the average debt having tripled in the three years preceding the research to stand at £3,102.46<sup>1</sup>. In the 6 years up to 2019, Council Tax arrears in England also went up by 40%.<sup>2</sup>

Since the above research was published, we have had the COVID-19 pandemic, which has brought additional challenges to those who have to make choices about which bills they can afford to pay. As well as facing lower incomes, there have been additional pressures on outgoings and, latterly, big increases in energy prices.

Research, carried out in 2021, shows that 950,000 people in the UK are now in arrears with their rent, 1.4 million are behind on council tax bills and 1.4 million are behind on electricity and gas bills.<sup>3</sup> Furthermore, the pandemic has had a differential effect on poorer households who have used up any savings they had and are now faced with having to fall behind with their bills in order to eat and keep warm.<sup>4</sup>

The choices that consumers make are limited by their circumstances and priorities, for example, 29% of households sometimes choose to skimp or go without food in order to pay their bills, 7% can't afford regular fresh fruit and vegetables and 10% of families live in damp homes. Almost a fifth cannot afford to keep their homes in a decent state of decoration<sup>5</sup>.

Faced with difficult choices, there are many reasons why people make the choice to stop paying their Council Tax or fall into arrears; being in financial difficulty, failing to pay the correct amounts for second or empty homes<sup>6</sup>, following incorrect or deliberately misleading advice on social media platforms<sup>7</sup>, disputes about banding and bills<sup>8</sup> or making choices between basic needs such as food or heat, and paying essential bills.

When people are faced with such choices, they may consider Council Tax as being a discretionary payment or something that they judge they can fall into arrears on without having to face immediate consequences. However, Councils have strong powers to intervene when consumers fall into arrears.

- An Earnings Arrestment can be put in place to deduct arrears from wages or benefits.
- An Extraordinary Attachment can be made which results in a charge made over property in a house and personal belongings, enforceable by a Sheriff Officer.
- A Bank Arrestment can be made to freeze bank accounts.
- The Council can seek to make a person bankrupt in order to recover debt or part of the debt.

However, when Councils seek to recover arrears, it can lead to a spiral of increasing debt with households having to get by on even less because they are paying off arrears<sup>9</sup>.

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<sup>1</sup> <https://www.cas.org.uk/news/cas-urges-people-check-and-save-council-tax-debts-reach-neary-£7m>

<sup>2</sup> <https://www.theguardian.com/money/2019/apr/12/council-tax-debts-soar-in-six-years-charities-warning-arrears>

<sup>3</sup> <https://www.jrf.org.uk/report/dragged-down-debt-millions-low-income-households-pulled-under-arrears-while-living-costs-rise>

<sup>4</sup> Leslie and Shah [Resolution Foundation] (2021) (Wealth) gap year: The impact of the coronavirus crisis on UK household wealth [Online] Available at: <https://www.resolutionfoundation.org/publications/wealth-gap-year/>

<sup>5</sup> Poverty and Social Exclusion Defining, measuring and tackling poverty <https://www.poverty.ac.uk/community/northern-ireland>

<sup>6</sup> <https://moneynerd.co.uk/avoid-council-tax/>

<sup>7</sup> <https://inews.co.uk/news/covid-anti-vaxxers-conspiracy-theorists-teach-how-avoid-paying-uk-council-tax-1258766>

<sup>8</sup> <https://hoa.org.uk/2019/06/challenge-council-tax/>

<sup>9</sup> Joseph Rowntree Trust (2021) Dragged Down by Debt, Rachele Earwaker and Morgan Bestwick



## 1.2 Research Need

Given that most consumers make an active choice when they stop paying their Council Tax it is important to fully understand the dynamics of those choices, to test people's understanding of the consequences of their choices, to identify the tipping points at which they seek advice and to hear their experiences of arrears recovery.

## 1.3 Aims and objectives

The CAS Specification of Requirement states the objectives of the research to be:

- *to understand the drivers behind why people take the decision to not pay/prioritise paying Council Tax; and,*
- *to better understand the 'stress points' for clients who seek advice in this regard; that is, what is motivating factor that brings them to bureaux for support.*

## 2 Methodology

Six interviews were carried out with CAB advisers to ascertain their experience of dealing with clients who are in Council Tax arrears. The questionnaire used for these interviews appears as Appendix 1. The advisers were from bureaux in:

- Inverness.
- East Ayrshire.
- South West Aberdeenshire
- Dumfries and Galloway
- Ross & Cromarty
- Paisley

After the interviews with advisers had been completed, a focus group was held to discuss the findings in more detail and to take further views. The focus group schedule appears as Appendix 2. The focus group members came from:

- Argyll
- Inverness
- Parkhead
- Ross & Cromarty
- Skye and Lochalsh

The findings from the adviser interviews and focus groups were used to develop a questionnaire for use with members of the public who had been in contact with CAB for help with Council Tax arrears. The interview questionnaire for these appears as Appendix 3. The profile of the 16 interviewees was as follows.

Profile of respondents for in-depth interviews									
Gender	N	Age	N	Urban / Rural	N	Priority level	N	Council Area	N
Male	7	16-34	4	Urban	13	1	1	City of Aberdeen	1
Female	8	35-44	6	Rural	2	2	6	Aberdeenshire	1
		45+	5			3	4	Fife	1
						4	2	City of Glasgow	3
						5	2	Clackmannanshire	1
								N Lanarkshire	1
								Dundee	2
								Angus	1
								Western Isles	1
								East Lothian	1
		S Lanarkshire	1						

The output from interviews and focus groups were analysed by content analysis. The main points from each were drawn together and content analysis was carried out to identify themes and issues.

### 3 Findings

#### 3.1. Interviews and focus group with CAB advisers

##### 3.1.1 Typical scenarios of clients presenting with Council Tax arrears

- A typical client is working on an income of around £1370 net per month. In that case they have to pay all Council Tax with no reduction, so they are the most financially squeezed.
- Coming out of Covid, clients are contacting CAB more about Council Tax arrears, but Council Tax is usually hidden amongst other debts.
- People don't often come only with Council Tax arrears. Usually there has been a wage arrestment that forces them to look into it. Some don't even know that not paying Council Tax creates a debt.
- Some people only have Council Tax debt, but on a recurrent basis. Lately it is increasing as energy debt is rising.
- People with Council Tax arrears are mostly from the rented sector, but we are expecting more homeowners accruing arrears as the cost of living crisis bites.
- When there are rent arrears with social landlords there is almost always Council Tax debt as well.
- Some present with just Council Tax debt and these are usually just outside the benefit liability and often homeowners.
- Often people have been in Council Tax debt before. Some are very historical cases with more the £25000 Council Tax debt.
- Typically, clients have multiple debt and rent arrears and Council Tax arrears go hand in hand.

##### 3.1.2 The point at which clients seek help from CAB

- The Council will typically have been in touch by letter but that is often disregarded.
- Usually, they have received a letter from the Sheriff Officer, or there has been a wage arrestment.
- Sometimes there is confusion over the Council Tax year, that's because there are 2 months when you don't pay and then you get a bill for the following year, so people forget to pay it.
- Typically, there has been a full-time earner and credit has been taken on, then they go part time or reduced hours or lose their job.
- Long term or short term issues in the household leading to loss of earnings.
- Often, people are paying a deduction for a previous debt and they think this is paying their ongoing Council Tax, but it is only paying the previous arrears not the ongoing liability, so they get into debt again unsuspectingly.
- Clients often don't know that an arrestment is only for arrears and is not part of paying the ongoing Council Tax. That needs to be made very clear and Councils could do more to explain.
- People get their bills, then reminders which they don't act on and the first time we hear is when the Sheriff Officer has been in touch.
- If people could pay two months in advance it would give a longer window to help if they miss a payment.

##### 3.1.3 The social and mental states of clients who present for advice

- Many are in need of help with stress and anxiety, they have a lifetime of anxiety from poverty.
- By the time people have fallen behind with financial commitments their anxiety levels are very high, and they may no longer be able to work or carry out "normal" functions.
- Some may be more affluent but then something like a bereavement or family breakup brings huge stress that can lead to poor mental health and debt.
- Some people have such serious mental health issues they may not be able to act on the advice we give.
- We can advise on mental health supports but they may not have the competency to understand.
- Getting a letter from the Sheriff Officer is a shock for people or having an Officer arrive at their door. This can cause high levels of mental distress.
- It is very stressful for people when the Sheriff Officer makes contact, it ramps up the anxieties. Then comes a reduction in benefit which is not negotiated, just enforced.
- People have been affected by the trauma of Covid and are frightened and stretched to the limit.
- Multiple debt is associated more strongly with mental health issues. Substance and gambling addiction are not predominant factors.

- There is a general lack of mental health provision, we are in a rural location and people are struggling with poor mental health anyway. For instance, some people have difficulty filling in a form and they do not understand the consequences of not doing so.
- People with mental health issues are more disadvantaged because they have little knowledge or understanding of the situation. We have a high degree of illiteracy and learning difficulties with many clients.

#### 3.1.4 Tipping points for not paying Council Tax

- People think Council Tax is not as important as other bills. At the start of a tenancy no-one explains about Council Tax and its importance. There is a lot of information handed out at this point and people don't take it all in.
- Some people don't realise that you have to pay some Council Tax no matter what your income is.
- People generally don't know what the Council does for them, so they don't understand the importance of Council Tax.
- Council Tax is seen as an unfair tax for people, but food, rent and other bills are seen differently.
- Some people tie it up with politics and authorities taking money they can't afford to give. So, when they are having to choose between eating and paying Council Tax, the choice is easy.
- People are just no longer able to juggle all their credit commitments, sometimes there is a change of earnings or circumstances, and people have to make a choice. Council Tax seems to them to be an easy one to ignore. People want to keep a roof over their heads, be warm and eat.
- Families will often help other members with food or electricity but not with Council Tax.
- People are worried about their credit rating and creditors who stress this tend to get paid first.
- People prioritise rent, energy and food. There is an immediate consequence of not eating, but no immediate consequence of not paying Council Tax.
- There is no immediate effect from Council Tax debt, you don't lose your house, so people leave Council Tax unpaid.
- If people are not working there are no real immediate consequences of stopping Council Tax. People who are in and out of work who could claim a reduction don't tell the Council and then get into debt.
- People will pay for things when they see a tangible benefit, like broadband or food, but they do not see a tangible benefit from Council Tax.
- People prioritise other things, gas, mortgage electricity, food, transport, broadband, and phones. Council Tax comes way down the list.
- Often clients are not aware that there is a strict method for the council to recover unpaid Council Tax.
- People need to be more aware of their financial obligations and that Council Tax sits high on the list, they get it with HMRC debt but not Council Tax
- Sometimes people are not aware that they have Council Tax debt until they claim UC and a search is done.

#### 3.1.5 Actions taken by Councils

- The powers that the Council have to recover debt are huge compared with other creditors, they are not covered by consumer credit rules.
- Councils are very quick about sending warrant letters and we always advise people to contact the Council and discuss. Normally the Council does not reach out to people, there needs to be more forbearance with people.
- Councils can be quite aggressive in recovering debt because they want it within the financial year, so it goes to the Sheriff Officer quickly.
- We work collaboratively with the Council, if the client reaches out to the Council when they receive a letter, before it gets passed to the Sheriff, we can intervene at that point, but it is too late once it goes to the Sheriff.
- People get two letters and then there is a charge for payment notification, but it will have gone to the Sheriff at this point, this is too quick and not enough human contact from the Council.
- When someone first gets into Council Tax arrears, they send letters that are easily ignored, there is not human contact and the next step is it goes to Sheriff Officer.
- Councils are cash strapped and there are fewer people paying Council Tax than ever, so they are probably more aggressive now in getting arrears.

- Councils could be more softly softly and there is an assumption that you are doing something bad in seeking a rebate.
- Council Tax discount has been slashed over the years, the levels at which you become eligible have been pushed up so the number of people getting help has reduced drastically.
- Councils could do more, it should not be so onerous to apply for a reduction and forms are too long. Sometimes, when a client ticks a box, it leads to another form needing to be filled in.
- Some people are not aware they are entitled to reduction, but it is too late once the debt has gone to Sheriff Officer.
- Council is very quick to go to Sheriff Officer to claim the debt. Because it is a priority debt, they take action very quickly after two payments are missed.
- Other lenders use FCA rules but Councils do not. Sheriff Officers are incentivised to recover debt and that is wrong.
- Sheriff Officers push for the highest they can get out of people when they should use a table of triggers that measure affordability. They use aggressive bargaining instead.
- Sheriff Officers are only interested in the maximum monthly payment that they can get.
- We need more collaboration and guidelines to stop people getting into a cycle of debt. Even if they miss just one payment and it goes to the Sheriff Officer, they may not be liable at this stage, they may be eligible for a reduction, but this needs to be negotiated before it goes to the Sheriff Officer.
- Councils are generally fair to deal with, but more education is needed and more information available. Sheriff Officers can be brutal.

#### 3.1.6 CAB advice and support.

- The first thing we do is inform people of the rules and consequences. We give them the options that can help. People are often shocked by the consequences of not paying Council Tax.
- The law is draconian and harsh. Clients need comfort when they realise what the consequences are of not paying Council Tax.
- Some of the charges need to be explained carefully. For example, a 10% surcharge will be applied when a debt goes to the Sheriff Officer and if further costs are incurred people don't understand these are payable on top of their Council Tax debt.
- I always advise that people contact the Council before it goes to the Sheriff Officer and pay something, then try to negotiate a smaller amount to be paid overall
- The main problem is the fewer Council Tax reductions that are available and people not being in receipt of all the reductions they are entitled to.

#### 3.1.7 General comments

- We need a more joined up approach, an inter-organisational support system.
- A common approach across Scotland is needed.
- Scottish Government information should be sent to every home about financial responsibility, consequences of non-payment and the pitfalls. Also accessing benefits, dealing with reminders and information about what Council Tax is for.
- People don't know that they have to apply for rebates or reductions so more information is needed.
- We need a radical overhaul of how Council Tax is collected, and people need to be better informed. There should be more contact between Council and Council Tax payers. The first step should be a phone call, a human contact not a letter. Preventing debt should be the chief focus rather than reaction after debt has occurred.
- Councils need to examine customer accounts and flag vulnerable people who need more help and information. In some cases, it might just be better to cancel the debt.

### 3.2 Interviews with members of the public

Fifteen in-depth interviews were carried out with CAB clients who had been to a CAB adviser for debt advice.

### 3.2.1 Knowledge of Council Tax

None of the interviewees had a comprehensive knowledge of Council Tax or what services the Council provided in return. Most were aware that their refuse was collected by the Council and that the roads and pavements were maintained. Some thought that their Council was responsible for water and sewerage, because these bills were collected as part of the Council tax.

### 3.2.2 Is it okay not to pay Council Tax?

Most respondents agreed that, in principle, Council Tax is something that everyone should pay. Some said that they would deprive themselves of food or heat to pay their Council Tax, but others made statements about the circumstances when it was okay not to pay.

*"Yes, I have had to go without food and heating to pay for the council tax. It has happened two or three times. I would rather go without because they are hard with their debt recovery and it's very hard to contact them as well."*

*"I would say you have to pay it. By law you have to pay it, but I would not go without food or heat to pay it. Food and heat always come first."*

*"I always try to pay it but circumstances can change. Being unemployed, being on sick pay, and being bereaved, it's not always possible to pay."*

Some argued that Council Tax levels were disproportionate. People who live on low incomes or who are in marginalised groups, single parent households, people with substance issues, people with mental health problems, people living in deprived areas, should not have to pay at such a high level and should not be pursued for arrears.

*"Anybody who is on a very low income should not be subjected to that (the collection of Council Tax arrears) especially if you are trying to make ends meet or if you are part of a group marginalised by society. I don't know if I can say this, but I think this a tax on the poor and is very disproportionate."*

*"For me personally I live in a very deprived area and when you walk through it you can see the lack of spend compared to more affluent areas. Half the streetlights don't work, the parks are infested with rats the paths and roads are a different quality to the more affluent areas up the road. These might seem like small details, but the money doesn't seem to stretch to areas like this, it is just focused in more glamorous areas of Glasgow."*

*"It depends where you live. We are remote and we don't get all the services that people do if they live in Glasgow or Edinburgh. I don't see why people who live in remote areas like me should have to pay the same as in people in the cities who get a lot more in return."*

### 3.2.3 Priorities that come before paying Council Tax

For most interviewees, Council Tax was not seen as one of the basic essentials. Most put food, rent/mortgage, gas, electricity, clothing and heating before Council Tax. That does not mean that they consider it an unnecessary expenditure, but when there is not enough money to go around, the basic essentials come first and Council Tax is paid only if there is enough money left over.

*"I do understand it is essential to pay council tax but in terms of priority it's just not at the same level as basics to live."*

*"My priorities would be food, gas, electric, clothing for my child, then rent and phone, Council Tax is way down my list."*

*"Rent, food for the kids, the car and electricity for lighting and heating. All these above come before paying the council tax. I make sure my kids are okay before anything else."*

Others placed things like running a car or maintaining broadband for their children's schoolwork as having higher priority than Council tax.

*"First is always the struggle to heat the house and get food. Then comes rent, clothing, gas and electricity. Also WIFI and running the car to get to work. I can catch up with Council Tax if I fall into arrears, but my WIFI would be cut off and then the kids couldn't do their schoolwork."*

The bills that interviewees worry about are mainly the things listed as priorities. This would indicate that even the bills that come above Council Tax are a struggle for some.

*"I worry about not being able to afford my rent, that's the key thing, then food, travel to work, electricity and gas, my internet to access my services, and money for myself so I have a wee bit of money to get through to the end of the month and then the Council Tax."*

*"Paying my Council tax is a worry, but it is juggling it with all the other bills I worry about. If the kids needed shoes or winter jackets or even having the heating on longer, these would have to come first. If I had enough money to pay for everything, then I wouldn't worry about any of my bills."*

### 3.2.4 How much money is left over each month

The majority of interviewees were working with most of these saying that wages are their main source of income. Some were in receipt of benefits in addition to wages and the remainder had benefits only. Low incomes and a sense of poverty were apparent in the interviews. None had very much left over after the bills were paid, including paying their Council Tax or Council Tax arrears. Managing towards the end of the month or benefits payment period is clearly a struggle for some.

*"My benefit is paid every two weeks. After I pay the bills, I have about £15 left for fruit and veg. I am paying back debts and I'm off work now with mental health problems."*

*"By the time I pay my bills and creditors, as I have a payment plan in place to sort things out, I am lucky if I have a couple hundred pounds month to cover petrol, my lunches, transport and other bits and pieces. That's even though I am working full time."*

*"There is nothing left over. This is the week of the month when you put on that extra jumper and dig around in the cupboard and get creative about what you are having for tea. The last week of the month is terrible "*

### 3.2.5 Council Tax reductions.

Some of the interviewees had applied for Council Tax reductions and some had received it. With many of the interviewees working, some fell just above the threshold at which a reduction was available. One interviewee had her reduction abated when her partner moved in. Despite her telling the Council the date that this occurred (late on in the Council tax year), the abatement was applied back to the beginning of the year. Some interviewees said that they were in receipt of a reduction when they fell into arrears, because the reduction was not enough to enable them to pay.

*"We tried just before Covid and got told just now by Aberdeen Council that we are entitled to it."*

*"We went to CAB when we moved to Peterhead, and they helped us get a reduction, but it was not backdated."*

*"CAB told me I was entitled to a single occupancy discount but getting that itself was a very long process."*

*"I was in receipt of Council Tax reduction when my arrears occurred. The reduction was £25 per month but the Council Tax still way too much for me to pay.*

*"I got a reduction but lost that when boyfriend moved in. They took it back for the whole year rather than from the actual date when my partner moved in."*

### 3.2.6 Circumstances at the time of going into arrears with Council Tax

Some interviewees had multiple debts and a debt history that goes back over a number of years.

*"If I am not able to pay my council tax there will be other bills that I can't pay either. I was also in rent arrears from my previous property I lived in and car finance."*

*"I've just never had enough money to go around. I was paying off debts from catalogues and credit cards as well as trying to pay the Council Tax."*

*"I was in debt with everybody, payday loans the lot. Then things got very bad and completely out of control and nothing was a priority anymore."*

For many, a change of employment or life circumstances was the trigger for going into Council Tax arrears.

*"The last time I missed a council tax payment I was unemployed at the time. I had been made redundant."*

*"It happened recently because I was on sick pay and only got £500. I just didn't have enough money out of the sickness benefit to pay for everything"*

*"When I went into arrears, I was going through a messy divorce and then I was made redundant."*

*"At first I didn't think it was a big deal, then it built up and my partner left and all the debt came to me and I just hoped it would go away."*

Some interviewees got into arrears when they or others in their household encountered health problems, either physical or mental. This often led to reduced income and/or to a reduced capacity to handle debt.

*"I lost my job and then had mental health problems. I had fallen behind with a lot of stuff and I just couldn't cope anymore. In the end CAB helped me to set up a trust deed. My credit card debt alone debt is over £15,000.*

*"There was just not enough money, because my husband became unwell and could not work anymore."*

*"I have been suffering from depression for a long time, it is worse when I am in debt and I lose track of everything in those times."*

*"I had a previous Council Tax debt that I managed to clear. This time it all started when my son was diagnosed with multiple health problems. There were costs running to the hospital and I couldn't think about anything else but him."*

*"I lost my job with CalMac and they gave me some money as pay off. I was going to use this to pay off my debts, but Universal Credit were saying, no you must use this to live on before you can get benefits."*

Some interviewees said that their problems with Council tax happened during COVID. For some this was because of a loss of income during the pandemic. For others, this was compounded by not being able to make contact with the Council because of COVID restrictions or shortage of staff.

*"Because of COVID we were on furlough, and we just focused on feeding ourselves. "*



*'It all happened at once, the month after COVID started it spiralled out of control, we just didn't have any money to pay them.'*

*"It was during COVID, and I could not get in touch with the Council in any way, shape or form. My payments were a wee bit off because of employment issues and I was only late in making a payment by a few days and I was trying to contact the Council to say I would be able to pay the next week.'*

*"During COVID they did not have any staff in the call centres or to reply to my emails and then I got a letter from Scott and Co. asking for the full year's remaining balance. Keeping in mind this was coming into winter, so it's a hard time to find £700 or £800 and then Scott and Co. add a 10% surcharge which can be a day or two's wages for me."*

Benefit delays or uneven levels of benefit payments were a factor for some when they fell into arrears with their Council Tax.

*"There was a delay between my partner getting his hours cut and the reassessment of Universal Credit which caused our financial problems and we never managed to catch up with the bills. "*

*"I was with my ex-partner at the time, she was serving in the army and she came home and someone said to the council that she moved back into the family home which she hadn't. Then I had to go to lots of different interviews to get it sorted."*

*"I just didn't know how much I was going to get on Universal Credit or how much Council Tax I could afford because my benefit kept going up and down. It has never been a standard amount. They say it's because my partner's wages keep going up and down and so does my Universal Credit."*

There were three younger interviewees, all now in their late twenties, who left home at a young age and did not understand their financial responsibilities.

*"I didn't come from a good home life, I left home at 17, just a wee girl and I got into debt. I didn't have a handle on all the things that needed to be paid, I was a child really."*

*"I was 18 and a mum. I didn't have a clue about paying bills. I had just gone onto Universal Credit and payments did not come through, it was all over the place up and down. I have carried debt ever since that time."*

*"I have plenty of debts, sadly mostly from a misguided youth, a young man on his own who didn't know the ways of the world and had no guidance."*

### 3.2.7 How much thought was given to not paying Council Tax?

Most of the interviewees had given thought before deciding not to pay their Council Tax. Most wanted to pay, most knew they should pay, but their financial circumstances dictated what they could and could not afford.

*"I did think about it carefully. I am not a bad person; it wasn't because I didn't want to pay it. I was struggling to pay it and struggling with everything else."*

*"To an extent I knew the consequences of not paying, but there was nothing I could do about it. I had to find a new job otherwise I would never be able to pay it. I can't give them what I don't have."*

*"I gave it a lot of thought; I thought about what I could cut back on and thought this £200 I am paying in Council Tax would go further if we use it to survive."*

*"My priority was always the kids. I did think about paying Council Tax but all the other bills were more important."*

The pandemic was also a factor for some people when thinking about whether they could and should pay their Council Tax.

*"This happened during covid when I had to try and find a new job when you were told you should be staying inside and not going out but I did not have a choice."*

*"At that time (during the pandemic) I feel the council could have stepped in and given people some relief considering how many people were losing their jobs and it was expensive for me being inside my house all day. I only have a wee small fridge so I couldn't bulk buy or bulk cook. The council tax was just another unnecessary worry at such a difficult time."*

Some interviewees, who were young when they went into arrears, did not realise the importance of Council Tax and the consequences of not paying it.

*"I spoke to mum she said it was important to pay your Council tax, but a lot of people I knew were in arrears with it and I thought it was normal. By the time I realised that it had to be paid, it was too enormous, so I had to go to CAB for help and now I am in bankruptcy."*

*"In the beginning I didn't give any thought at all to it. I did not see it as a problem. I was ignoring all my bills at the time. I didn't know I was in arrears; I didn't know how the system worked, I was just young and didn't understand things."*

### 3.2.8 Why stop paying Council Tax rather than other bills?

Interviewees' priorities are set out above (3.2.3). When there is not enough to go around, the basic essentials come first. These are seen by most as rent, food, heat, gas, electricity. For some, the essentials also include motoring costs, phone and broadband. When asked, "why Council Tax?" these priorities were repeated. Not paying Council Tax was perceived to carry less immediate consequences than stopping payments on other bills.

*"Because I needed to pay for the basics food, petrol and heat. There is no immediate consequence if you stop the Council Tax, but there is if I can't afford the petrol to get to work."*

*"We used that money for food, heating and clothes and pay little bits of other bills, just so that we weren't in so much arrears on them."*

*"I only managed to pay the rent the month I stopped paying Council Tax and I needed heating and food on the table. I'll starve if I don't eat, but I won't starve if I don't pay my Council Tax."*

*"I needed heat and food at the time more than I needed to pay my Council Tax. I have just been juggling for so long, so that month I juggled the Council Tax."*

Asking interviewees what they were able to afford because they stopped their Council Tax, sheds further light on their priorities. Again, these are the essentials, no-one stopped paying Council Tax in order to afford non-essentials.

*"Food, heat, clothes for kids, electricity to light and heat the house, the car finance and my credit card. If I didn't pay those there would be immediate consequences."*

*"By keeping the Council Tax money by, I was able to put on a wee bit more heat and get some extra food."*

### 3.2.9 Finding out about Council Tax arrears.

Some interviewees already knew that they were in Council Tax arrears because they had taken a conscious decision to stop paying.

*"Yes of course I knew I was in arrears as I had to make a decision to go into arrears to afford the basics "*

*"Yes, because I did not pay it as a last resort. I knew I was in arrears as I could not afford to pay it. I was just juggling so much; I have 8 children "*

Some did not know they were in arrears because they were paying off arrears from a previous year and assumed that this included their current Council Tax liability. Others knew they were only paying arrears but could not afford to pay both arrears and the current year.

*"I was paying every month and thought everything was okay. Then I got a letter from the Council. It was a shock because I thought I was already paying, but it turned out I was only paying off the previous years' arrears."*

*"I am paying arrears but not paying the current Council Tax; if I did that would be £260 a month and I can't afford that so I am always going to be a year behind."*

Others received letters from the Council, but did not read them because they feared what would be inside.

*"I got a letter from the Council, but I put it in the bin. If it was in the bin, I didn't have to deal with it."*

*"I got letters but didn't open them, they went straight in the bin, but that did put me back into anxiety."*

*"I was ignoring all my bills, I didn't open any of them because it only makes me anxious and depressed that I can't pay them."*

*"I live on my own so I get very stressed when I get letters like this and fixate on what could happen. So I just throw them away and then I can forget about it."*

Some said that they could not recall ever receiving a letter from the Council

*"I don't recall getting a letter from the council. They used to send you a letter in the past to find out why your direct debit failed but now they don't chase you they just refer you on to the Sherriff Officer."*

*"I have never had a letter from the Council about arrears. Just a demand from the Sherriff Officer."*

*"I don't remember any letters. Everything seems to go to Universal Credit and is out of my hands."*

*"I think Glasgow Council just took the easy option because they had no one in the office so they just signed off half the city to a debt collection agency, so they didn't have to write letters or deal with it logistically again."*

Some said that they got letters about the Council Tax and, before they could act upon it, this was followed up very quickly by contact from the Sheriff Officer. Some said that their case was referred to the Sheriff Officer after just one letter.

*"I got one letter from the Council, and they referred me on to Scott and Co. within a week of sending that letter."*

*"I was not issued with multiple warning letters, I just got one letter which said pay this now and if you don't you will be referred on to a debt collector, which is what happened a couple of weeks later."*

*"I got one letter from Council which was a final demand. Two weeks after that the Sheriff Officer arrived at the door."*

### 3.2.10 Contact from the Sherriff Officer

When a Sheriff Officer did make contact, it was usually by letter. Some interviewees reported that they ignored the letters and then a Sheriff Officer came to their door.

*"I got a letter from the Sheriff Officer and not the Council, they were very unsympathetic."*

*"I got letters from them, which I ignored. Then they came to the door and petrified me. I felt threatened it was very stressful and I felt under attack on my doorstep, no negotiation at all."*

*"One day they turned up at the door. Abrupt unfriendly, no negotiation, just handed me the letter."*

Most of the interviewees who had experience of a Sheriff Officer, said that there was no room for negotiation, just a demand for a certain amount to be paid. One interviewee, however, said that it depends on the individual you are dealing with and some are more amenable to negotiation than others.

*"They wanted to recover the full amount straight away. There was no 'how can we help you, do you need support through the process', it was just pay up because we are entitled to this money through the Council or we will take you to court."*

*"I phoned and tried to explain but they said there is no negotiation, this is what you must pay. I had to agree to amount I knew I couldn't afford just to get them off my back."*

*"I knew I had to pay it that wasn't the issue it was the unrealistic timeframe, no negotiation and the lack of communication that were the hardest things to deal with."*

*"I tried to negotiate with Scot and Co., but the woman was very rude and didn't want to negotiate. I tried again a few months later and got a really nice woman and she did accept negotiation. It seems to depend on who you get."*

*"The Council and the Benefits Office made the decision how much I would have to pay back monthly; I had no say in it at all."*

Some interviewees, especially those who had dealt with the Sheriff Officer before were relaxed about being contacted about their arrears. Others were upset by the experience.

*"I was really anxious when the Sheriff Officer wrote to me. I thought I was going to jail; it was the unknown."*

*"I'd just had a baby and babies are not cheap and I just felt hounded for the money. It was very stressful, but it is what it is."*

*'I was a bit ashamed of being in debt and a bit depressed and anxious. I didn't know where to turn and then I went to CAB.'*

*"It put me under extreme stress both mentally and financially because they wanted me to pay 100% of balance outstanding and an additional 10% debt collector fee which came to just under £800."*

### 3.2.11 Financial impact of paying off arrears

Most interviewees just about coped with the amount that had to be paid back. Mostly this was by cutting all other spending right back

*"We, as a couple, can't do anything we can't afford to. We can't go out to the cinema or for a meal. We just make do with what we have got. We just have to focus on the basics until this is paid off."*

*"We did go without a lot in the start. I had to change my car to a cheaper option."*

*"I am just about managing to keep all the other bills at bay, I can't afford to feed myself as well; I have lost 3 stone but at least the children are fed."*

*"I am managing by bulking out food with carbs and just buying the basics. It's sad when you can't get the kids a magazine or an ice cream and you know it's because you couldn't pay your Council tax."*

Some, however, are unable to make sufficient savings elsewhere and are building up other debts in order to pay off their Council Tax arrears.

*"It puts me under more pressure. If I pay the council tax I won't be able to pay my other bills and I will need to cut down on the money I spend on food."*

*"Instead of paying £100 per month I am paying £230 per month so there are other bills I can't afford to pay."*

*"I am managing but it I am living on the basics. Other bills and debt are going up now because of the money I am paying out on Council Tax arrears."*

*"They are taking the Council Tax arrears but now I have racked up a debt with the gas and my other bills are not paid. I go without food sometimes and still the other bills are going up."*

### 3.2.12 Getting help from CAB

Most of the interviewees did not go to CAB straightaway for help, waiting instead until things reached a crisis point.

*"I was in arrears for about a year before I spoke to the CAB I was getting letters saying I had not paid and they were going to take me to court "*

*"It was a long time before I went to CAB. I only went to them after the Council took action."*

*"I just didn't have any money and needed money for food and heat. I'd been phoning about a crisis grant and couldn't get anywhere until someone mentioned that CAB might be able to help."*

*"Things were out of control; payday loans and everything. I woke up one morning and said to myself, this can't go on you have to get help."*

Waiting to seek advice from CAB caused a lot of mental distress.

*"When the anxiety and depression caught up with me I couldn't take it any more so went to CAB."*

*"I went to them after I received letters for about 3 or 4 months. I just couldn't take the stress anymore."*

*"The wage arrestment of £550 was going on for 6 months, I couldn't tell my husband because he is ill; it was just awful, very stressful. Then there just came a moment when I could not cope anymore, so I called CAB."*

*"The CAB were my last resort as I didn't have anyone I could talk to. It got too stressful when they (Sheriff Officer) was bombarding me with letters all the time."*

*"When I was getting letters from Sheriff Officer and other debtors, I was very worried. It freaked me out a bit when CAB said the best thing was bankruptcy, but when they explained it seemed like a good idea and it was."*

Interviewees had only praise for CAB and how they helped.

*"After the Sheriff Officer wrote to me, I made contact with CAB to make sure we were getting everything we were entitled to. They went through everything and consolidated the loan. CAB quoted a law to me, and I went to Sheriff Officer and quoted it to them and got payments halved. So, I am an empowered woman now, thanks to CAB."*

*"CAB took on my case and took all my previous Council Tax receipts to show I had always paid on time before. He calmed me down a bit, told me everything I needed to do. He gave me the confidence to understand I didn't only have a week to sort this like they said; it was a process and reassured me that nothing would happen to me until we went through that process. By the end of it he got the 10% taken of the bill and got my bill reduced as it was incorrect for the year in the first place. "*

*"The help I got from CAB was amazing. They really did everything they could for me. I now feel I am back in control of my situation, it's still difficult but we are getting there. "*

*"When I spoke to CAB my health had deteriorated, I had been in hospital and I was so stressed. The lady said give everything to me and we will get it sorted and it was such a weight off my shoulders "*

*"Getting CAB involved put a pause on Scot and Co's enforcement so they weren't able to refer me to the Sherriff's Court. That gave me an extra month and a half in order to get more money together and start paying the bill. It was paid in a few instalments."*

*"They put everything into a Trust Deed they were brilliant. The woman from CAB even phoned me afterwards to make sure I was okay."*

### 3.2.13 Suggestions for improvement and change

Affordability is clearly one of the biggest issues for those who have difficulty paying their Council Tax. Many interviewees said that Council Tax should be made more affordable for those on low incomes.

*"Council Tax is an awful lot of money. They need to make it more affordable for people whose incomes are very low."*

*"Payment terms should reflect and take into consideration your circumstances more so that you don't fall into arrears."*

*"The Council's attitude is, if you are on benefits, we will give you more help but if you are not on benefits there is zero support for you. So, you can be in a very vulnerable position but not be entitled or given any support."*

*"People should be given more time to pay. They should take into consideration people's circumstances and the stress it causes."*

Many of the interviewees said that they wanted to see a more human approach from the Council. They felt that the Council approach focused entirely on "you must pay" and not enough on "how can we help you to pay".

*"There should be an easy way to speak to the Council, it's hard to get through on the phone."*

*"I can see folks getting very bogged down with letters and they are also really hard to contact by phone. There should be a helpline with a person at the end of it."*

*"You need people who can sympathise and understand where you are coming from. If people are willing to pay an amount, why not take that rather than passing to Sheriff and making people suffer?"*

*"I'd like to see better customer service. Council should have a customer service line, take a more personal approach, be more human."*

*"I would like more contact with the council. They should phone and chat about it and have more negotiation about what has to be paid back."*

*"It's just a threatening process, there is no encouragement to come in and speak to them if you are encountering difficulties; it just comes across that they just want the money."*

Some thought that Councils could do more to explain to residents what Council tax is for. If people understood what it was for, they might give it a higher priority.

*"I was so young and on my own, I didn't know what Council Tax was. A housing agency should explain all this to you, especially if you are just starting to make your way in the world."*

*"A letter should be sent out at the very beginning to explain exactly what Council Tax is and what it pays for."*

Some suggested that it should be easier for people to see their Council Tax account online so that they could keep tabs on it.

*"It would be very helpful if you could deal with it more online. You should be able to see online how much you owe in real time, so you know where you are at."*

*"It would be better if you had an online account which was up to date. I can't see my account because it's under a new reference number."*

There was concern in some interviewees that their Council Tax bill differed from month to month making it difficult to budget.

*"I would like to be given one amount to pay and not keep changing it every month and just taking the money."*

*"It's extremely difficult to know how much you actually owe at any one time."*

*"This month it has changed from £24 to £120 even though my partners wages have not changed that much, and my Universal Credit is basically the same every month."*

Paying arrears at the same time as paying the current year is a challenge for most people who have difficulty paying their bills. Some find it impossible to pay arrears and the current year, whilst others do not know that they are failing to pay the current year's bill.

*"There has to be a better way of balancing paying the arrears and paying the current year, so that you feel you are getting somewhere."*

*"Why not put a percentage towards both the current year and the arrears so that you are paying off the arrears but paying towards the current year as well."*

Finally, there was a call from interviewees for more information on where to seek advice and help. Some said that this should be part of any bill or letter that the Council sends out.

*"Letters from the Council should set out options of how to pay and where to get help."*

*"Council asks you to pay what you owe, but no advice and no help."*

*"It would be nice if they would let me know where to go for help with finances."*

*"There is no referral process to get extra help. They need to be more approachable rather than just demanding payment"*

## Appendices



Appendix 1. Questionnaire for interviews with CAB advisers.



**Understanding the Drivers Behind the Accrual of Council Tax Arrears**

**Draft protocol for discussions with CAB staff.**



1 When clients present with Council Tax problems is there a typical scenario?

Possible areas for discussion if respondent needs guided:

- Sanctions imposed the Council
- Family breakup
- Job loss
- Unable to manage in current income levels
- Paying off previous debts
- Council Tax debt and other debt, how are they associated?

2 At what point in the process do clients typically seek help from CAB?

Possible areas for discussion if respondent needs guided:

- In response to the Council threatening or taking action?
- Do people contact you because they fear they are going to fall into arrears and are looking for advice on how to avoid this?
- Is there a particular scenario for clients who have multiple incidences of non-payment of Council Tax?

3 What are the social and mental states of clients who present for advice?

Possible areas for discussion if respondent needs guided:

- Are they typically in need of social and/or mental health support?
- And are they usually in receipt of such support?
- Are relationships at home usually stable (is family instability a cause of arrears?)
- Are addictions a common issue that stresses them financially? (e.g., gambling, substance dependency)

4 We are very interested in identifying the decision points along the journey, what is it that tips people into not paying their Council Tax, are there typical circumstances, is there a “final straw” moment, are there points where intervention or help might avert someone going into arrears. What is your experience of the critical moments at which clients go into arrears.

Possible areas for discussion if respondent needs guided:

- Realising that they can no longer afford all that they need?
- What is it that forces them or makes them choose to stop paying Council Tax as opposed to stopping other bills or expenditure?
- Is Council Tax seen as important compared to other household bills?
- Are the consequences of not paying Council Tax seen as less than stopping other bills?
- Are there typical decision points and typical circumstances (what are they)?

5 What is your opinion on the actions typically taken by Councils to identify arrears, support consumers who are in financial difficulty, and the measures that they take to recover debt.

Possible areas for discussion if respondent needs guided:

- Variability between Councils,
- Proportionality
- Amount of help and support given to consumers.
- Pinch points at which interventions could help to avoid debt.

6 What are the main issues when consumers do seek help from CAB on Council Tax debt?

Possible areas for discussion if respondent needs guided:

- How advanced is the typical debt situation?
- Are multiple debt issues common?
- Are there many people who repeatedly get into arrears with Council Tax?
- In what ways is this group (repeated arrears) different from others, are there particular interventions that could help avoid repeat arrears?

7 What kind of advice and support does CAB give in these circumstances?

Possible areas for discussion if respondent needs guided:

- The range of solutions possible for clients; what suits which set of circumstances?
- The extent to which clients have been able to act on advice and follow it through to debt solution.
- The dynamics of clients who get into further debt and seek additional advice from bureaux.

8 Is there anything else you can think of that we haven't covered, particularly concerning the tipping points and the interventions that might avoid Council Tax arrears?

## Appendix 2. Protocol for focus group with CAB advisers.

Scenarios/ characteristics	The point at which clients seek help from CAB
<ul style="list-style-type: none"> <li>▪ Typically, clients have multiple debt.</li> <li>▪ Some people only have Council Tax debt on a recurrent basis.</li> <li>▪ Rent arrears and Council Tax arrears go hand in hand.</li> <li>▪ Paying a deduction for previous debt : think this is paying their Council Tax.</li> <li>▪ Some don't even know that not paying Council Tax creates a debt.</li> <li>▪ An income of around £1370 net per month</li> </ul>	<ul style="list-style-type: none"> <li>▪ A letter from Sheriff Officers or a wage arrestment.</li> <li>▪ Bills/ reminders ignored and the first time we hear is when the Sheriff's office has been in touch.</li> <li>▪ Confusion over the Council Tax year; 2 months when you don't pay and then you get a bill.</li> <li>▪ Health or employment issues in the household leading to loss of earnings.</li> </ul>
<p><b>Mental health</b></p> <ul style="list-style-type: none"> <li>▪ Falling behind with financial commitments creates high anxiety levels and they may no longer be able to work or carry out "normal" functions.</li> <li>▪ It is very stressful for people when a Sheriff Officer makes contact, it ramps up the anxieties.</li> <li>▪ Then comes a reduction in benefit which is not negotiated, just enforced.</li> <li>▪ People with mental health issues are more disadvantaged because they have little knowledge or understanding of the situation.</li> <li>▪ Some people have such serious mental health issues they may not be able to act on the advice we give.</li> </ul>	<p><b>Tipping points</b></p> <ul style="list-style-type: none"> <li>▪ No longer able to juggle all their credit commitments, CT an easy one to ignore.</li> <li>▪ Worry about their credit rating. Creditors who stress this tend to get paid first.</li> <li>▪ No immediate effect from Council Tax debt, you don't lose your house.</li> <li>▪ Will pay for things of tangible benefit, (e.g. broadband) No tangible benefit of CT.</li> <li>▪ Some tie it up with politics; authorities taking money they can't afford. When having to choose between eating and paying Council Tax, the choice is easy.</li> <li>▪ There is a lot of information to take in at the start of a tenancy. At the start of a tenancy no-one explains about Council Tax and its importance.</li> </ul>
<p><b>Actions taken by Councils</b></p> <ul style="list-style-type: none"> <li>▪ Council powers of debt recovery are huge compared with other creditors.</li> <li>▪ Councils want payment in the financial year, so it goes to Sheriff Officer quickly</li> <li>▪ Councils send letters that are easily ignored, there is not enough human contact</li> <li>▪ The point of eligibility for discount has gone up and many fewer get help</li> <li>▪ It can be very onerous to apply for a reduction and forms are too long.</li> <li>▪ Sheriff Officers should consider affordability. Use aggressive bargaining instead.</li> <li>▪ More collaboration and better guidelines needed to stop the cycle of debt.</li> </ul>	<p><b>Overall comments</b></p> <ul style="list-style-type: none"> <li>▪ Information should be sent to every home about financial responsibility, consequences of non-payment and the pitfalls.</li> <li>▪ More information on benefits, dealing with reminders and what CT is for.</li> <li>▪ More contact between Council and CT payers. The first step should be human contact not a letter.</li> <li>▪ Preventing debt should be the focus rather than reaction after debt has occurred.</li> <li>▪ Councils need to examine customer accounts and flag vulnerable people who need more help and information.</li> <li>▪ We need a more joined up approach, an inter-organisational support system.</li> </ul>

Appendix 3. Interview schedule for members of the public.



DRAFT INTERVIEW SCHEDULE: PUBLIC. V2

16 November 2022

Understanding the Drivers Behind the Accrual of Council Tax Arrears



**1 Satisfaction**

- a) Can I ask you first how satisfied you are with the help or advice that you got from CAB in relation to Council Tax arrears?

Very satisfied	Satisfied	Dissatisfied	Very dissatisfied
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**2 Opinions about Council Tax**

The next few questions are about Council Tax in general.

- a) Can I ask what you know about Council Tax?  
b) What services do you get in return for your Council Tax?  
c) Are there circumstances when you think it is okay not to pay your Council tax?

PROMPTS:

- If you think the Council is doing a bad job?
- If you had to go without food or heat to pay it?

**3 Making choices between what you can afford and what you have to do without.**

We are interested in how people make choices when they are not able to afford everything that they need.

- a) When it comes to paying your bills or buying what you need, what are your priorities? The things you absolutely must be able to afford.  
b) How much do you have left after you pay for all the essentials?  
c) And are there bills that you worry about not being able to pay (what are they)?

PROMPT:

If Council Tax has not been mentioned, where does Council Tax fit into these priorities?

**4 Financial situation.**

I'd like to ask you now about your financial situation. These are just general questions about how you manage things.

- a) What is your biggest source of income? (wages, benefits, pensions etc)  
b) When you last went into arrears with your Council tax, what was your financial situation?

PROMPTS:

- Just didn't have enough money to go around
  - Loss of income/ loss of job, relationship breakup etc?
  - Paying off debts (other than Council Tax) you couldn't afford?
  - Before you stopped paying Council Tax had you fallen behind with other bills?
- c) Have you ever tried to find out if you are entitled to a reduction in Council Tax?  
d) Were you in receipt of Council Tax Reduction when the arrears occurred

**5 Decision processes.**

We are interested in the decisions that people take about paying their bills.

a) How much thought did you give before you missed a payment on your Council Tax?

PROMPTS:

- Did you think about the consequences?
- Did you talk to friends or family about it?

b) Why did you choose to stop paying Council tax rather than other bills?

c) Which bills or other spending were you able to afford with the money you saved from not paying Council Tax?

d) Since you stopped paying Council Tax have you had to stop paying other bills? (Which ones?)

## 6 Finding out that you were in arrears.

The next few questions are about finding out that you were in arrears with your Council Tax.

a) Did you know that you were in arrears before the Council or the Sheriff Officer made contact with you?

PROMPT:

- Was there any particular reason why you didn't know you were in arrears?

b) Did you get a letter from the Council about your arrears?

PROMPT:

- How did you feel when you got the letter?
- Can you remember if it was friendly or threatening?
- What did you do when you got the letter from the Council? Did you ignore it, or did you take any action such as contacting the Council?
- How would you describe the attitude of the Council?

c) Did the Sheriff Officer or debt collector contact you about your arrears?

PROMPT:

- Was this the first you heard about having to pay off the arrears?

d) What action did the Council, or the Sheriff Officer, tell you they were taking to recover the arrears?

e) How much say did you have in the amount you had to pay back or the period you had to pay it back in?

f) How would you describe the attitude of the Sheriff Officer (debt collector).

PROMPT:

- Were they friendly, helpful, considerate?
- 

## 7 Personal and financial impact

We would like to know what the impact has been of falling into arrears with your Council Tax.

a) How did you feel, personally, when you found out you were going to have to pay off the arrears of Council Tax?

b) What impact did paying-off Council Tax arrears have on you financially?

PROMPTS:

- Are there things you are having to go without to pay off your Council Tax arrears?
- Have you been able to pay your other bills?

## 8 Getting in touch with CAB

At some point you reached out to CAB for help or advice.

a) Tell me when and how that came about.

PROMPTS:

- How long had you not been paying your Council Tax before seeking advice?)
- Did you go to CAB only after the Council took action to recover your payments?
- Had you looked for advice or help from other sources (Wider family, Community groups, Church, Friends, or neighbours)
- Was there a critical point at which you thought, “I really need to get help and advice”?

b) How helpful was the advice you got from CAB?

## 9 The future

Looking to the future,

a) Is there anything about the billing process for Council tax that you would like to see changed?

b) Is there anything about the process of Council Tax arrears collection that you would like to see changed?

c) What more could be done to help you with your Council Tax in the future?

▪