Debt Talk CIC Response to the Government Consultation on Improving Enforcement of Council Tax

A Frontline Bangladeshi and other minority Perspective on Fairer Council Tax Collection and Enforcement

July 2026

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Executive Summary

Debt Talk CIC welcomes the Government's consultation on improving council tax collection and enforcement. We believe this consultation presents an important opportunity to create a system that encourages engagement rather than enforcement and supports households experiencing financial hardship before debt escalates.

Debt Talk CIC is an FCA-regulated debt advice provider working predominantly with Bangladeshi and other ethnically diverse communities across East London. Every year we assist hundreds of households facing council tax arrears alongside wider financial difficulties. Our evidence is based on direct frontline experience supporting residents to negotiate affordable repayment arrangements, maximise their income, apply for Council Tax Support and discretionary reductions, and resolve complex debt problems.

Our experience demonstrates that the majority of residents in council tax arrears are not refusing to pay. Instead, they experience barriers that prevent them from engaging effectively with local authorities. These barriers include limited English proficiency, low financial literacy, digital exclusion, poor mental health, disability, cultural factors, and misunderstanding of the council tax recovery process.

Current enforcement practices frequently interpret non-response as deliberate non-payment when it is more accurately explained by communication difficulties, financial hardship or vulnerability. By the time many residents seek help, court action has already commenced and additional costs have significantly increased their debt.

Debt Talk CIC believes that reform should focus on:

- Restricting the use of enforcement agents where households are assessed as experiencing financial hardship, with bailiff action reserved only for cases where there is evidence that engagement has failed despite the ability to pay.
- Earlier engagement with residents before enforcement begins.
- Plain English communication supported by community languages.
- Recognition of financial vulnerability through structured affordability assessments.
- Flexible repayment arrangements based on affordability.
- Stronger partnership working with FCA-regulated debt advice organisations.
- Greater consistency between local authorities.
- Improved access to Council Tax Support and discretionary relief.

These reforms would improve outcomes for both councils and residents by increasing engagement, reducing enforcement costs and supporting sustainable repayment arrangements.

About Debt Talk CIC

Debt Talk CIC is a Community Interest Company providing free FCA-regulated debt advice to individuals and families experiencing financial difficulty.

Our advisers support clients with:

- Council Tax arrears
- Rent arrears
- Utility debt
- Consumer credit debt
- Benefit entitlement
- Budgeting support
- Financial capability
- Income maximisation

Our work is concentrated within some of England's most deprived communities, particularly among Bangladeshi residents and other ethnically diverse populations living in East London.

Many of our clients face multiple disadvantages simultaneously, including:

- Low income
- Unemployment
- Disability
- Poor mental health
- Digital exclusion
- Limited English proficiency
- Complex family circumstances
- Multigenerational households

This gives Debt Talk CIC unique insight into how council tax collection policies operate in practice.

Purpose of this Response

This report presents Debt Talk CIC's evidence to the Government consultation on improving council tax enforcement.

Rather than commenting solely on individual consultation questions, this report considers wider systemic issues affecting vulnerable households.

The recommendations are based upon:

- Direct client casework
- Affordability assessments
- Standard Financial Statements
- Experience negotiating with local authorities
- Community engagement
- Financial capability work

Why Reform is Needed

Council tax remains one of the most aggressively enforced forms of household debt in England.

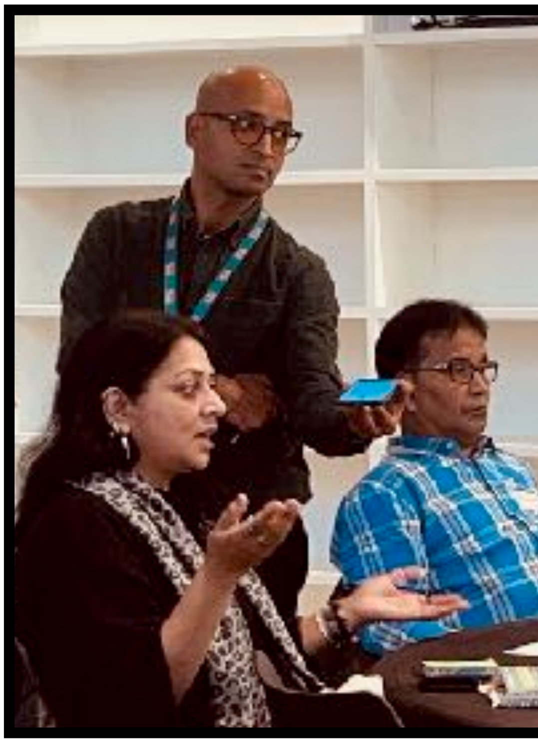
While councils have a legitimate responsibility to collect local taxation, recovery processes often escalate rapidly despite limited evidence that residents are deliberately avoiding payment.

Our experience suggests that many households enter enforcement because they:

- misunderstand correspondence
- cannot contact the council easily
- struggle with English
- are digitally excluded
- do not understand available support
- experience crisis situations

These households require support rather than punishment.

Understanding Council Tax Arrears



Council tax debt rarely exists in isolation.

Most clients approaching Debt Talk CIC are simultaneously experiencing:

- Rent arrears
- Utility debt
- Benefit problems
- Low income
- Cost of living pressures

Council tax therefore becomes one element of wider financial vulnerability.

Successful recovery depends on resolving these wider issues rather than focusing solely on collection activity.

Principles for Fair Council Tax Collection

Debt Talk CIC believes council tax recovery should be guided by six principles:

1. Early Intervention

Residents should receive multiple opportunities to engage before legal action begins.

2. Accessibility

Communications should be understandable regardless of language, literacy or digital skills.

3. Affordability

Repayment arrangements should always reflect genuine financial circumstances.

4. Consistency

Residents should receive similar treatment regardless of where they live.

5. Partnership

Councils should work alongside FCA-regulated debt advice organisations and community partners.

6. Proportionality

Enforcement should only occur after meaningful engagement has been attempted.

Key Findings

This section should draw together the strongest themes emerging from your evidence, such as:

- Communication barriers delay engagement.
- Many vulnerable households are misclassified as deliberately non-compliant.
- Automated systems create significant barriers.
- Warm referrals are more effective than simple signposting.
- Standard Financial Statements provide reliable affordability evidence.
- Multigenerational households require different approaches.
- Early intervention improves sustainable repayment.

Each finding should include supporting examples from your casework and explain the implications for council practice.

Detailed Recommendations

Expand each recommendation into its own section. For example:

Recommendation 1: Improve Communication

Discuss plain English, translated materials, direct telephone access, bilingual staff, and accessible formats.

Recommendation 2: Strengthen Early Intervention

Explain the benefits of multiple reminders, proactive telephone contact, and early welfare checks.

Recommendation 3: Recognise Financial Vulnerability

Describe the importance of structured affordability assessments, vulnerability indicators, and recognition of Standard Financial Statements.

Recommendation 4: Build Stronger Partnerships

Outline how councils can develop warm referral pathways with FCA-regulated debt advice providers and trusted community organisations.

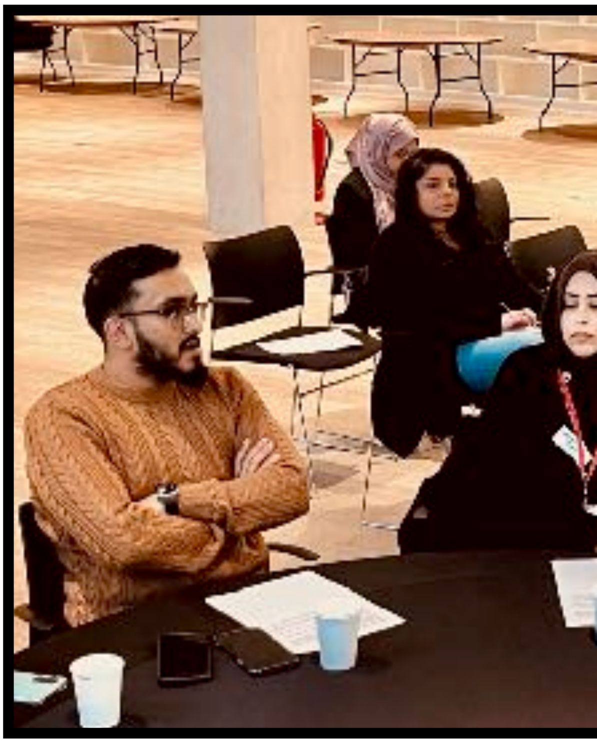
Recommendation 5: Support Sustainable Repayment

Explain flexible payment plans, Council Tax Support reviews, discretionary reductions, and income maximisation.

Evidence from Frontline Casework

Organise this section by themes rather than consultation questions. Include anonymised examples that illustrate common issues such as language barriers, digital exclusion, or multigenerational households, showing how early advice changed outcomes.

Supporting Vulnerable Communities



Provide detailed analysis of the barriers faced by:

- Bangladeshi communities
- Older residents
- Disabled people
- Single-parent households
- People with limited English
- Digitally excluded residents

Explain how culturally competent services improve engagement and outcomes.

Equality and Inclusion

Assess how the proposed reforms affect protected characteristic groups and discuss intersectional disadvantage. Emphasise the importance of accessible communication, culturally competent service design, and non-digital routes to support.

Working with FCA-Regulated Debt Advice Providers

Describe the role of regulated advisers in identifying vulnerability, completing Standard Financial Statements, negotiating affordable repayment plans, and supporting long-term financial resilience. Highlight the benefits of warm referrals and partnership working.

Improving Outcomes for Councils

Explain how your recommendations can help councils by:

- Increasing voluntary engagement.
- Reducing unnecessary enforcement.
- Improving long-term repayment rates.
- Lowering administrative costs associated with repeated recovery action.
- Building trust with local communities.

Conclusion

Conclude by reinforcing that a fair and effective council tax recovery system depends on early engagement, accessible communication, affordability, and partnership. Stress that these reforms can improve collection rates while reducing hardship, and that Debt Talk CIC's recommendations are grounded in extensive frontline experience supporting vulnerable households.