

Council Tax: Prevention Before Recovery

Event Briefing

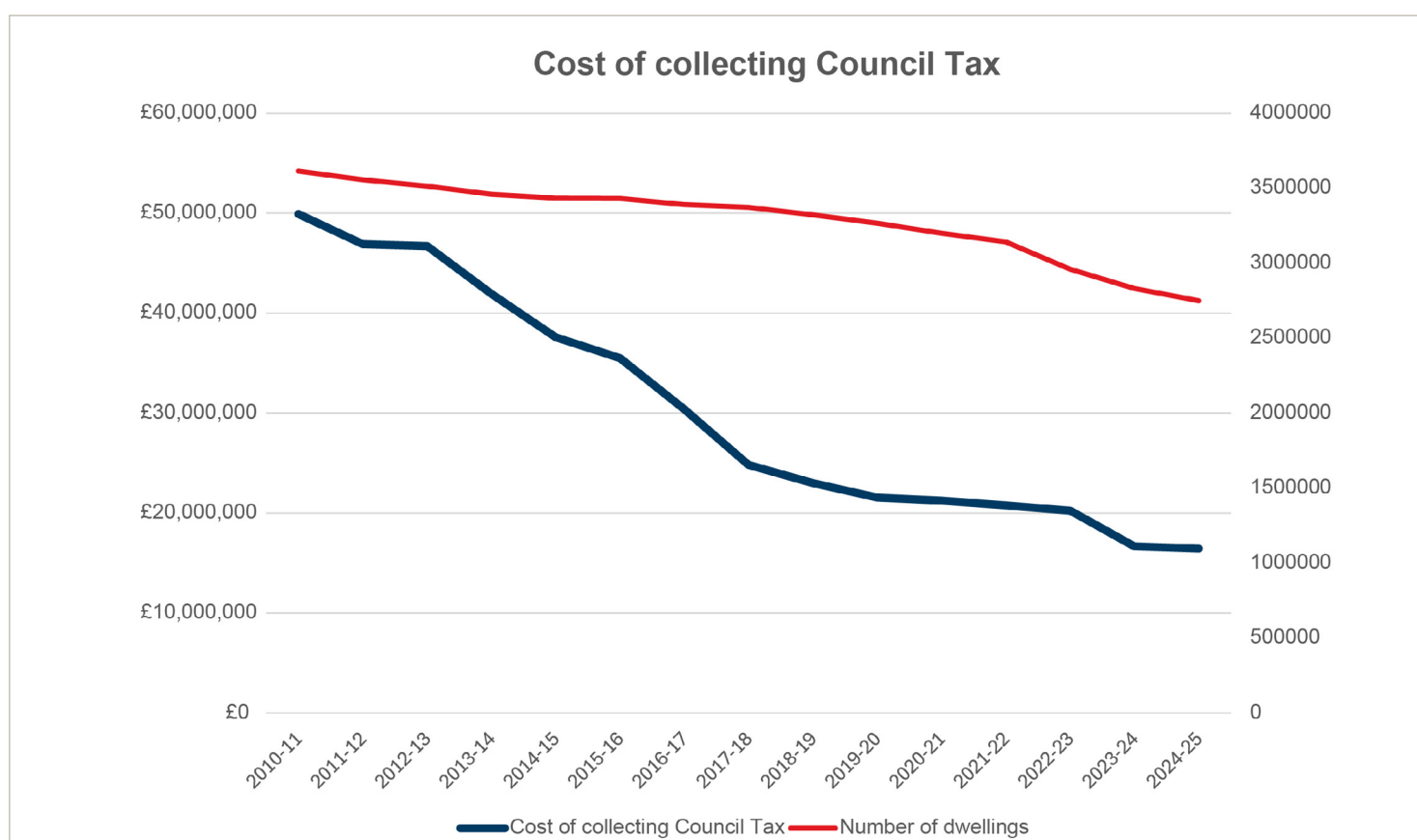


This event brought together colleagues from across Scotland to explore how councils are shifting from enforcement to prevention. The event explored practical examples of how councils are evolving to engage early, use data intelligently, and work collaboratively to stop debt from escalating and protect vulnerable residents.

Key Messages from LGBF

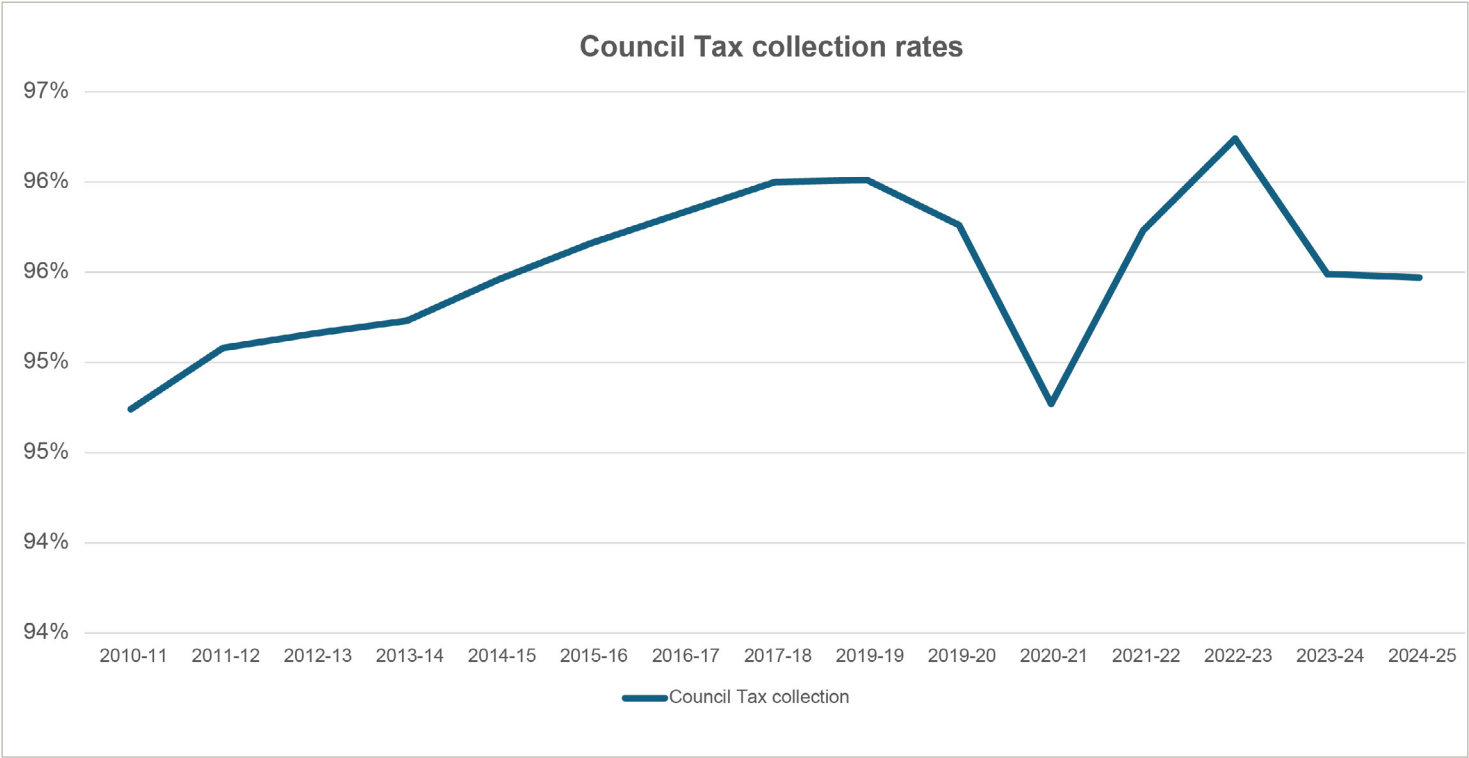
[LGBF data](#) highlights the significant financial pressures facing local government and the impact these pressures are having on council services. The long-term trend shows that the cost of collecting council tax has fallen 70% since the base year, reflecting changes in service delivery, increased digitalisation, greater use of online self-service channels and wider efficiencies in council tax administration.

Figure 1: Cost of collecting Council Tax.



Collection rates have remained consistently high across Scotland at around 95%, demonstrating the resilience of council tax collection despite periods of economic uncertainty and financial pressure on households.

Figure 2: Council Tax collection rates.



Overall, the data presents a broadly positive picture, with improving efficiency in collection processes and consistently high collection rates. At the same time, the data shows that collection rates remain sensitive to wider financial pressures. The decline since 2022/23, and the small reduction compared with pre-Covid levels, illustrate the challenges posed by rising living costs, increasing household debt, and affordability pressures for lower income residents. Sustaining current performance will require continued emphasis on preventative, customer-centred collection strategies, alongside close monitoring of emerging risks that may affect households’ ability to pay. Further detail and analysis in relation to council tax is available in the [LGBF National Overview report](#).

Council Tax collection and recovery

- Scottish local authorities issued over £3 billion in council tax bills in 2024/25 and achieved collection rates of approximately 95.5% by the end of the financial year.
- Council tax remains a critical source of income that supports the delivery of local services and community priorities.
- Recovery activity is resource-intensive, with an estimated 200,000 to 300,000 summary warrants issued annually and associated costs estimated at £20 million to £50 million each year.

Early intervention and support

- Early engagement can help prevent council tax arrears from escalating and reduce the need for enforcement action.
- Many households in arrears are also experiencing wider financial pressures, including housing costs, utility bills and other debts.
- Timely access to welfare advice, benefit checks, income maximisation support and debt advice can help residents address underlying financial challenges.
- Responses should distinguish between those who are unwilling to pay and those facing genuine financial hardship, ensuring that support and enforcement measures are applied appropriately.

Joined-up working

- Collaboration across revenue, welfare and support services enables a more holistic response to financial hardship and vulnerability.
- Sharing information and coordinating support can help residents access the right assistance at the right time.
- Effective partnership working can:
 - o Improve collection outcomes.
 - o Reduce recovery and enforcement costs.
 - o Increase resident engagement.
 - o Strengthen financial resilience.
 - o Deliver better outcomes for communities and local authorities.

Sharing Local Practice

Maximising Council Tax reduction and its impact on Council Tax collection – Dumfries and Galloway Council

Dumfries and Galloway Council has developed an approach that brings together Council Tax collection, accurate billing and welfare support. The approach seeks to secure payment of the amount properly due, while ensuring that customers receive the full range of financial support to which they are entitled. Applications for different forms of assistance are used to consider wider eligibility, supported by data matching and the review of relevant household and benefits information.



Council Tax Reduction claims assessed at nil entitlement are retained for six months, allowing awards to resume where income changes. Once entitlement and liability have been established, the Council considers appropriate payment methods and arrangements, with an emphasis on current-year payments. Analysis of payment activity, property status and Council Tax Reduction history also informs customer contact and collection activity. The approach supports coordinated access to assistance, accurate liabilities, proportionate collection and payment arrangements that reflect individual circumstances.

[Read the full case study.](#)

Rethinking Council Tax Debt Recovery: a Preventative and Person-Centred Approach – Argyll and Bute Council

Argyll and Bute Council has developed a preventative and person-centred approach to Council Tax recovery, combining effective collection with earlier identification of financial hardship and vulnerability. The approach includes closer partnership working, warm referrals to independent advice, temporary pauses in recovery action, and reviews of residents' entitlement, affordability and Council Tax liability.



To date, over 230 residents have received support, resulting in reported financial gains of £570,000 through reductions, exemptions, income maximisation and sustainable payment arrangements. The work has supported more proportionate recovery decisions and demonstrated the importance of accurate liability, effective information-sharing and careful assessment of non-engagement. As the approach continues to develop, further evaluation will provide a clearer understanding of its longer-term benefits.

[Read the full case study.](#)

Working Together Provides Better Outcomes - Falkirk Council

Falkirk Council has developed a prevention-focused approach to council tax collection by integrating debt advice, welfare benefits and financial support with Revenues and Benefits. Staff identify signs of financial difficulty at an early stage and, with the resident's consent, refer them for advice before arrears escalate. Residents can then receive support with income maximisation, budgeting, benefit entitlement and repayment arrangements based on their wider financial circumstances.

Closer collaboration and improved information sharing have supported more coordinated services, clearer communication and earlier access to help. Affordable repayment proposals can be developed while recovery action is considered, helping residents avoid additional pressure and supporting more sustainable payments. The approach has also strengthened knowledge sharing between teams and encouraged consistent, non-judgemental contact with residents. Falkirk's experience demonstrates how early intervention, supportive communication and strong working relationships can promote fairness, build trust and balance residents' financial wellbeing with the effective collection of council tax.



[Read the full case study.](#)

Sharing Local Practice: Cross Cutting Themes

Scottish local authorities are strengthening the balance between effective council tax collection and early, preventative support. Key areas of activity include accessible advice, earlier customer contact, improved use of data, coordinated debt management and flexible repayment arrangements. Together, these approaches are helping councils identify financial difficulty, connect residents with appropriate support and encourage sustainable payment.

1. Accessible Advice, Outreach and Partnership Working

Partnerships with advice services, community-based outreach and a choice of contact channels are helping residents access support in ways that suit their circumstances. This includes benefit checks, affordability assessments, warm referrals and face-to-face assistance for those who may find digital services difficult to use.



Argyll and Bute Council: A close partnership with Citizens Advice uses warm referrals and consent-based information sharing to connect residents with specialist support. This includes assistance with benefit entitlement, income and expenditure assessments and identifying reasonable payment arrangements.

East Renfrewshire Council: Revenues staff work closely with the council's Money Advice and Rights team, referring residents who may require additional assistance. Benefit checks and affordability assessments are used to inform longer-term payment plans agreed with revenues officers.

Moray Council: Links with Money Advice services and Citizens Advice support proactive work with residents who have higher levels of debt. The approach combines access to available reductions and benefits with sustainable repayment arrangements.

Aberdeenshire Council: Connections with local Citizens Advice services and internal advice teams help residents experiencing financial difficulty access appropriate support. Community-based approaches are also particularly relevant across the council's large rural area, where access to service points can be challenging.

Dundee City Council: The Connect Team provides outreach services through GP practices and other community venues. This enables residents to access advice closer to home and be directed to the services best placed to support them.

City of Edinburgh Council: Personal contact options provide an important alternative for residents who may find digital channels difficult to use. Direct conversations can also help staff understand and respond to more complex circumstances.

South Ayrshire Council: Telephone services, face-to-face appointments and automated online forms offer residents a choice of ways to engage with the council. These different contact routes help provide access to support across South Ayrshire's rural and dispersed communities.

East Ayrshire Council: Telephone-based benefit reviews are used as an opportunity to identify residents who may qualify for additional council tax support. This includes checking potential entitlement to disabled band reductions, carer disregards and other discounts that residents may not know are available.

2. Early Intervention and Customer Communication

Proactive calls, texts and emails are creating opportunities to resolve payment issues before formal recovery action is required. These communications provide timely prompts, straightforward payment routes and links to available support.



Scottish Borders Council: A dedicated recovery team contacts residents before reminders are issued, helping to resolve queries, take payments and establish direct debits. Text and email prompts are also being introduced ahead of formal reminder notices to encourage earlier engagement.

Moray Council: Proactive reviews of larger debts are followed by direct contact to understand the resident's circumstances and identify suitable solutions. The focus is on maintaining current payments while preventing outstanding debt from becoming more difficult to manage.

Inverclyde Council: Pre-reminder text messages are issued through GOV.UK Notify, with links to payment options and support information. The approach is straightforward and low cost, and the messages have generated additional contact from residents.

Argyll and Bute Council: Pre-reminder emails are used to prompt payment and encourage contact before a statutory reminder is issued. The council initially saw a strong response from its text and email approach and continues to use email communication.

Fife Council: Text-based reminders and payment prompts form an established part of the council's communication. These messages support residents to manage and maintain their council tax payments.

Clackmannanshire Council: Citizens Advice leaflets are issued with council tax reminders and final notices, alongside staff referral routes for residents who may benefit from additional support. The council is seeking effective ways to increase engagement, particularly among residents who may be entitled to Council Tax Reduction but have not yet applied.

Dumfries and Galloway Council: A flexible reminder process gives residents further opportunities to maintain payment before their account progresses to a final notice or sheriff officer action. The council also targets high-debt and non-payment cases through personalised calls, emails and correspondence, while its "one claim, multiple forms of support" approach helps identify residents who may still be entitled to Council Tax Reduction.

3. Data, Insight and Vulnerability Identification

Better use of data is helping councils identify residents who may benefit from financial assistance and target support more effectively. This includes identifying potential entitlement to Council Tax Reduction and exploring wider information-sharing opportunities.



Argyll and Bute Council: Wider datasets, including information relating to child poverty and potentially social care, are being explored to improve understanding of vulnerability and identify opportunities for earlier support. The council is also involved in work examining data sharing with HMRC, the Department for Work and Pensions and Social Security Scotland.

Falkirk Council: Referral arrangements in some GP practices help connect residents experiencing mental health or other difficulties with appropriate support. The council also identified opportunities to improve access to relevant DWP information, which could help debt management staff better understand residents' circumstances.

Inverclyde Council: Scottish Child Payment and other datasets are used to identify households that may qualify for Council Tax Reduction but are not currently receiving it. This targeted approach can reduce household liability and improve take-up of available support.

4. Whole-Council and Holistic Debt Approaches

Coordinated approaches consider the household's wider circumstances rather than treating individual debts or support needs separately. Bringing services together creates a more consistent experience and improves connections between council tax, benefits, welfare support and other debts.



Dundee City Council: Expertise across council tax, housing rents, non-domestic rates and other debts has been brought together to support a more holistic approach. Collaborative working provides residents with a coordinated council-wide response rather than separate recovery processes.

Inverclyde Council: Closer links are being developed between benefits and the Scottish Welfare Fund so that existing customer contact can also support Council Tax Reduction applications. This aims to make assistance easier to access and improve take-up.

East Renfrewshire Council: The council tax team and corporate debt recovery group have been brought together following a service restructure. The service also has links with benefits, the Scottish Welfare Fund and the Money Advice and Rights team, providing routes to wider financial support.

5. Flexible Recovery and Sustainable Payment Solutions

Affordable repayment arrangements, flexible payment dates and manageable contributions towards historic debt are helping residents maintain ongoing payments. Recovery action remains available where necessary, with support and proportionate solutions considered throughout the process.



Moray Council: Residents are supported to maintain current-year payments while making manageable contributions towards historic debt. Enforcement remains available where necessary but generally follows consideration of available support and repayment options.

Dundee City Council: Working with an insolvency practitioner has generated contact from some residents with high-value debts, creating opportunities for payment or repayment arrangements before sequestration is progressed. The council is also at an early stage of considering an allowance scheme for households experiencing temporary financial difficulty, although no scheme is currently in place.

East Renfrewshire Council: Flexible direct debit options and tailored payment dates allow arrangements to reflect residents' individual circumstances. Practical and manageable payment options can support positive engagement and sustained repayment.

Renfrewshire Council: Work with residents who have not paid for several years has focused initially on re-establishing current-year payments and helping them return to a regular payment routine. The council is also looking at earlier intervention in lower-level debt cases, where there may be greater scope to agree an arrangement before arrears escalate.

Sharing local practice - summary of initiatives

Aberdeenshire Council

Partnership working: Connections with local Citizens Advice services and internal advice teams help residents experiencing financial difficulty access appropriate support. Community-based approaches are also particularly relevant across the council's large rural area, where access to service points can be challenging.

Argyll and Bute Council

Partnership working: A close partnership with Citizens Advice uses warm referrals and consent-based information sharing to connect residents with specialist support. This includes assistance with benefit entitlement, income and expenditure assessments and identifying reasonable payment arrangements.

Early intervention and customer communication: Pre-reminder emails are used to prompt payment and encourage contact before a statutory reminder is issued. The council initially saw a strong response from its text and email approach and continues to use email communication.

Data, insight and vulnerability identification: Wider datasets, including information relating to child poverty and potentially social care, are being explored to improve understanding of vulnerability and identify opportunities for earlier support. The council is also involved in work examining data sharing with HMRC and the Department for Work and Pensions, alongside discussions about information from Social Security Scotland.

City of Edinburgh Council

Accessible contact: Personal contact provides an important alternative for residents who may find digital channels difficult to use. A small number of local offices continue to offer opportunities for residents to speak to someone in person, although the reduction in local offices has made this form of contact less widely available.

Clackmannanshire Council

Customer communication: Citizens Advice leaflets are issued with council tax reminders and final notices, alongside staff referral routes for

residents who may benefit from additional support. The council is seeking effective ways to increase engagement, particularly among residents who may be entitled to Council Tax Reduction but have not yet applied.

Dumfries and Galloway Council

Customer communication: A flexible reminder process gives residents further opportunities to maintain payment before their account progresses to a final notice or sheriff officer action. The council also targets high-debt and non-payment cases through personalised calls, emails and correspondence, while its "one claim, multiple forms of support" approach helps identify residents who may still be entitled to Council Tax Reduction.

Dundee City Council

Community-based outreach: The Connect Team provides outreach services through GP practices and community centres. This enables residents to access advice closer to home and be directed to the services best placed to support them.

Whole-council debt approach: Expertise across council tax, housing rents, non-domestic rates and other debts has been brought together to support a more holistic approach. Collaborative working provides residents with a coordinated council-wide response rather than separate recovery processes.

Flexible recovery: Working with an insolvency practitioner has generated contact from some residents with high-value debts, creating opportunities for payment or repayment arrangements before sequestration is progressed. The council is also at an early stage of considering an allowance scheme for households experiencing temporary financial difficulty, although no scheme is currently in place.

East Ayrshire Council

Benefit entitlement and partnership working: Telephone-based benefit reviews provide an opportunity to identify additional support, including disabled band reductions, carer disregards and other unclaimed discounts. The council also

works closely with its Welfare Support Team to help ensure residents, including Universal Credit customers, receive the benefits available to them.

East Renfrewshire Council

Advice and financial support: Revenues staff work closely with the council's Money Advice and Rights team, referring residents who may require additional assistance. Benefit checks and income and expenditure assessments are used to inform suitable longer-term payment plans.

Co-ordinated debt recovery: The council tax team and corporate debt recovery group have been brought together following a service restructure. The service also has links with benefits, the Scottish Welfare Fund and the Money Advice and Rights team, providing routes to wider financial support.

Flexible payment arrangements: Residents can choose from five direct debit dates and spread payments over 10 or 12 months, allowing arrangements to reflect their circumstances. The council reported that residents taking up direct debit at final-notice stage generally remained on this payment method.

Falkirk Council

Referral pathways and data access: Referral arrangements in some GP practices help connect residents experiencing mental health or other difficulties with appropriate support. The council also identified opportunities to improve access to relevant Department for Work and Pensions information, which could help debt management staff better understand residents' circumstances.

Fife Council

Customer communication: Text-based pre-payment and pre-overdue reminders are an established part of the council's communication with residents. Some residents use these messages as a regular prompt to make their council tax payment.

Inverclyde Council

Early intervention and customer communication:

Pre-reminder text messages are issued through GOV.UK Notify, with links to payment options and support information. The approach requires little additional resource and has generated increased contact from residents.

Data and targeted support: Scottish Child Payment and other datasets are used to identify households that may qualify for Council Tax Reduction but are not currently receiving it. This targeted approach aims to improve take-up, reduce household liability and limit future debt.

Co-ordinated customer support: Closer links are being developed between benefits and the Scottish Welfare Fund so that existing customer contact can also support Council Tax Reduction applications. This aims to make assistance easier to access and improve take-up.

Moray Council

Advice and partnership working: Links with Money Advice services and Citizens Advice support proactive work with residents who have higher levels of debt. The approach combines access to available reductions and benefits with sustainable repayment arrangements.

Early intervention: Proactive reviews of larger debts are followed by direct contact to understand the resident's circumstances and identify suitable solutions. The focus is on maintaining current payments while preventing outstanding debt from becoming more difficult to manage.

Sustainable payment arrangements: Residents are supported to maintain current-year payments while making manageable contributions towards historic debt. Enforcement remains available where necessary but is generally considered after available support and repayment options have been explored.

Renfrewshire Council

Flexible recovery: Work with residents who have not paid for several years has focused initially on re-establishing current-year payments and helping them return to a regular payment routine. The council is also looking at earlier intervention in lower-level debt cases, where there may be greater scope to agree an arrangement before arrears escalate.

Scottish Borders Council

Early intervention and customer communication:

A dedicated recovery team contacts residents before reminders are issued, helping to resolve queries, take payments and establish direct debits. Text and email prompts are also being introduced ahead of formal reminder notices to encourage earlier engagement.

South Ayrshire Council

Accessible contact: Telephone services, appointment-based face-to-face contact and automated online forms provide different routes for residents to engage with the council. The rural geography and absence of walk-in provision highlight the continuing importance of accessible contact options.