

PE2174/A: Stop council tax debt collection

Scottish Government written submission, 4 November 2025

The Scottish Government is grateful for the opportunity to contribute to the Committee's consideration of this petition.

The Scottish Government appreciates the concerns raised about the collection of Council Tax arrears and the impact this can have on individuals and households experiencing financial hardship. Council Tax is a local tax, set and collected by each local authority, and represents an important source of funding for local services. Councils also have powers to write off arrears where appropriate, and this is a decision for them to take locally.

The Scottish Government recognises the seriousness of the concerns raised and remains committed to exploring fair and proportionate approaches to debt recovery. That being said, the Scottish Government continues to believe that decisions on the management of arrears are best made locally, taking into account individual circumstances and the financial position of each council. For this reason, we have committed to promoting a fair and compassionate approach to debt collection.

The Scottish Government continues to work with COSLA through the Joint Working Group on Sources of Local Government Funding and Council Tax Reform to encourage the adoption of best practice in debt collection and advice. We are aware of concerns around the use of enforcement measures and, through ongoing engagement with COSLA, continue to encourage local authorities to adopt proportionate and empathetic approaches, particularly where individuals are experiencing hardship. As part of this work, officials have been liaising with the Cabinet Office and HMRC to strengthen data-sharing arrangements under the UK Digital Economy Act 2017. These new pathways enable Scottish local authorities to share Council Tax debtor data more effectively, helping to identify and support vulnerable debtors and increase uptake of Council Tax Reduction among those who are eligible but not yet receiving it.

The Council Tax Reduction (CTR) scheme ensures that nobody in Scotland should have to meet a Council Tax liability they cannot reasonably be expected to afford. Over 450,000 households currently benefit from this support, with recipients receiving an average reduction of more than £850 per year.

In addition, the Scottish Government has provided an extra £2.2 million in funding for a Citizens Advice Scotland project that supports people with Council Tax debt. This work promotes a dignified and empathetic approach to debt management and is improving the support available to those affected.

We are also aware of concerns regarding local authority practices in issuing final demand notices. While operational decisions rest with councils, the Scottish

Government continues to work with COSLA to promote consistency and best practice in debt recovery procedures.

The Scottish Government is open to considering related issues, including the prescription period for Council Tax debt, and has committed to consulting on this matter in due course. This will allow full consideration of the potential impacts of reform, ensuring that any changes are fair, workable, and sustainable.

Scottish Ministers will continue to work closely with COSLA and local authorities to ensure that Council Tax debt recovery is carried out in a fair and proportionate way, and that appropriate support remains available to those in need.

With regard to broader reform, the Scottish Government and COSLA have jointly published the [Future of council tax in Scotland: consultation](#), which seeks views on approaches to Council Tax reform. The consultation forms part of a wider joint programme of work aimed at building consensus on changes to the system in the future. The Scottish Government is not advocating for a specific reform and none of the models reflect the Government's official policy position. However, the consultation invites responses from individuals, households, communities, and organisations across Scotland on the range of illustrative options set out in the paper.

The consultation was published on 27 October 2025 and will close on 30 January 2026. The work is supported by an analysis [report](#) undertaken by the Institute for Fiscal Studies, which provides detailed modelling and evidence to support the public discussion. Members of the public can respond to the consultation via the Scottish Government's Citizen Space platform - [Consultation - Citizen Space - The Future of Council Tax in Scotland](#).

Council Tax Reduction and Council Tax Directorate