

Cabinet Member	Cllr Martin Coffin, Cabinet Member for Finance, Waste and Technical Services
Responsible Officer	Sharon Shelton, Director of Finance and Transformation
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## **Consultation – Modernising and Improving the Administration of Council Tax**

### **1 Summary and Purpose of Report**

- 1.1 A report to advise Members of the release of a consultation “Modernising and improving the administration of council tax” which was launched on 20 June 2025 and closes on 12 September 2025.

### **2 Corporate Strategy Priority Area**

- 2.1 Efficient services for all our residents, maintaining an effective council.
- 2.2 Council Tax is an important source of funding for local government. Efficient and effective collection of sums due is imperative to ensure funds are available for delivery of services.

### **3 Introduction and Background**

- 3.1 The government has opened a consultation, seeking views from local authorities, particularly those responsible for the administration and collection of Council Tax, setting out proposals for modernising and improving the administration of council tax. The details of the consultation can be found at <https://www.gov.uk/government/consultations/modernising-and-improving-the-administration-of-council-tax/modernising-and-improving-the-administration-of-council-tax>
- 3.2 The ministerial foreword emphasises the intention to create a “fair and reasonable” tax system where deliberate tax avoidance is not to be tolerated but account is taken of the financial pressures still felt by many households.

- 3.3 The closing date by which the Council must submit its response is 12 September 2025.
- 3.4 *The proposals included in the consultation are set out below:*
- 3.4.1 “The government proposes changing council tax billing from 10-months to 12-months by default. This will assist households in managing their finances. It proposes maintaining the ability for households to pay over 10 months where this is preferable.
- 3.4.2 The government is seeking views on ways it can improve the transparency of council tax information. This change will help taxpayers understand what their council tax is spent on and help them connect their council tax to local services. The change is also intended to provide taxpayers with information on the support available to them and how to access it.
- 3.4.3 The government is seeking views on how it can modernise council tax disregards to ensure they continue to support those they were intended to support. The criteria for disregards have not been reviewed in decades.
- 3.4.4 The government also proposes changing the outdated and alienating name of the ‘severe mental impairment’ disregard and amending its definition to encourage more eligible people to make use of the disregard.
- 3.4.5 The government is interested in views on how could improve efficiency in billing for councils. The requirements for how councils communicate council tax information is still much the same as when council tax was introduced. This consultation seeks views on how this may be modernised to deliver value for money for councils and taxpayers.
- 3.4.6 The government is seeking views on whether there is anything the government can do to remove barriers to effectively challenging bandings, recognising that some households could be paying more than they should and do not have a straightforward mechanism to check and challenge their council tax band.
- 3.4.7 Finally, the government is proposing changes to processes for collecting and enforcing council tax charges. It is right that councils have the power to recover debts owed to them and to tackle cases of avoidance. However, the government believes households should be free from concerns of disproportionate enforcement action. The government is proposing increasing the time before councils can request a full-bill from households and capping the costs charged on households in seeking liability orders for debts.”

## **4 Proposal**

- 4.1 Officers with formulate a response to the consultation, in liaison with the Cabinet Member for Finance, Waste and Technical Services, and complete the submission before the deadline.

- 4.2 Given the potential significance of the impact of the proposed changes, it is suggested that the response is reported to the September meeting of this Scrutiny Select Committee for information. If Members have any points they would like the Council to make in its response, they can be shared with officers at the meeting.

## **5 Financial and Value for Money Considerations**

- 5.1 In the response, proper account will be taken of the potential difficulty certain changes could cause to the council's cash flow, as well as the continued ability to effectively collect and enforce non-payment of Council Tax.

## **6 Risk Assessment**

- 6.1 Cashflow could potentially be affected. Unless precept payment dates to major preceptors are revised, this could mean in a worst case scenario that the Council as billing authority could have to make payments before collections have been made.

## **7 Legal Implications**

- 7.1 None at this stage.

## **8 Consultation and Communications**

- 8.1 This consultation ends on 12 September 2025.

## **9 Implementation**

- 9.1 The response to the consultation will be sent in liaison with the Cabinet Member for Finance, Waste and Technical Services.

## **10 Cross Cutting Issues**

- 10.1 Equalities and Diversity

- 10.1.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Background Papers	None
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