

Collection of council tax arrears good practice protocol

Council tax payers will receive a better level of service if local authorities and debt advice agencies work together.

This good practice protocol makes a number of suggestions on how relations can be strengthened. It has been developed through partnership work between the national bodies representing advice agencies and local government throughout England and Wales. It reflects best practice at local level and is intended to facilitate regular liaison on practices and policy concerning council tax debt collection. In setting down clear procedures and keeping them regularly under review all parties can ensure that cases of arrears are dealt with quickly and realistically whilst complaints are handled efficiently.

By signing up to the protocol you can help ensure that taxpayers pay their council tax bills on time while accessing timely debt advice when needed.

In its report of June 2013¹ the Government endorses the Citizens Advice Local Government Association Good Practice Protocol and recommends local authorities who have not done so already to commit to it.

Use the section below to sign up to the protocol as a public commitment to its principles of fairness, partnership working and transparency in local authority debt collection.

Signature

Signature

.....

Local Authority representative

.....

CAB/advice agency representative

¹ DCLG: Council Tax, Guidance to local councils on good practice in the collection of council tax arrears

Partnership

The following items cover effective liaison between local authorities and advice agencies.

- Local authorities and advice agencies should meet regularly to discuss practical and policy issues with a recommendation to meet quarterly at officer level and annually with elected members.
- All parties should have dedicated contacts accessible on direct lines and electronically so that issues can be taken up quickly.
- All parties should promote mutual understanding by providing training workshops and/or exchange visits.
- Advice agencies and local authorities should work together to develop a fair collection and enforcement policy highlighting examples of vulnerable people and specifying clear procedures in dealing with them. Contractual arrangement with bailiffs should specify procedures for the council to take back cases involving vulnerable people.
- Local authorities should consider informal complaints as evidence of problems with collection or enforcement with bailiffs. Debtors may be afraid to complain formally where bailiff activity is ongoing. Informal complaints received from advice agencies can indicate problems worthy of further investigation.

Information

Literature should be reviewed as part of liaison work between local authorities and advice agencies.

- Publicise debt advice contact details on literature and notices. Local Authorities can provide council tax payment plans to help people budget. Advice agencies can help by promoting the need for debtors to contact their local authority promptly in order to agree payment plans. Both parties can work together to ensure the tone of letters is not intimidating but encouraging of engagement..
- Local authorities should consider providing literature about concerns council tax debtors may have on bailiffs and enforcement. Information could cover charges bailiffs are allowed to make by law, how to complain about bailiff behaviour or check bailiff certification and further help available from the local authority or advice agencies.
- All parties should work together to promote engagement by council tax payers. Include information on how bills can be reduced through reliefs, exemptions and council tax support schemes, how tax payers should contact the local authority if they experience financial hardship and the consequences of allowing debts to accumulate. Information should be made available on local authority and advice agency websites, via social media and available at offices of relevant agencies. This is an opportunity for joint campaign work.
- Promote different payment dates within the month as options available to council tax payers. This can allow people to budget more effectively. .

Recovery

If a council tax bill not paid then the recovery process comes into play. The first stage of the recovery process will involve the billing authority obtaining a liability order from the courts. While authorities strive to make contact with a debtor the first point of contact often occurs only when a bailiff visits the premises. The following items should be considered to ensure an appropriate response.

- Local Authorities should work in partnership with advice agencies on the content of all documents produced by the billing authority and agents acting on its behalf which are part of the enforcement process. This should ensure that the rights and responsibilities of all parties are clearly set out.
- Bailiffs should provide the debtor with a contact number should they wish to speak to the local authority.
- All charges associated with recovery should be kept regularly under review to ensure they are reasonable. Bailiffs should only make changes in accordance with council tax collection and enforcement regulations.
- The level of debt (inclusive of liability order fees) should be considered before bailiff action is taken.
- Local authorities may have different definitions of a vulnerable person/household. Recovery action will be referred to the local authority where these criteria are found to have been met.
- The debtor may have outstanding claims for council tax support or housing benefit which are contributing to arrears. Recovery can be suspended once it is established that a legitimate claim is pending.
- Local authorities should prioritise direct deduction from benefits or attachment of earnings in preference to using bailiffs. This avoids extra debts being incurred by people who may already have substantial liabilities.
- Procedures should exist for debt advisors to negotiate payments on behalf of the taxpayer at any point in the process including when the debt has been passed to the bailiff. In some cases the debtor may only, contact an advice agency following a visit from the bailiff.
- Set down, as part of contractual arrangements, a clear procedure for people to report complaints about recovery action. Local authorities will regularly monitor the performance of those recovering debts on their behalf and ensure that contractual and legal arrangements are met.
- A key part of the recovery is treating each case on its merits. Arrangements need to be affordable and sustainable while ensuring that the debt is paid off within a reasonable period.

Approved by



For more copies of this protocol visit:
www.citizensadvice.org.uk/pdf-ct-protocol2013.pdf

Published by Citizens Advice

October 2013

First published in July 2009

www.citizensadvice.org.uk
www.adviceguide.org.uk