

Collection of council tax arrears good practice protocol

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

This good practice protocol makes a number of suggestions on how existing relations can be strengthened and improved. It has been developed as a result of 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 be an aid towards regular liaison on practices and policy concerning council tax arrears collection. By 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.

This partnership approach is even more important at a time of economic uncertainty in order to ensure that taxpayers are able to pay their council tax bills on time, get the benefits to which they are entitled and those in financial difficulty get high quality debt advice. The intention is to ensure that council tax arrears are dealt with quickly, effectively and realistically.

Approved by



Local Government Association



Partnership

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

- Local authorities and advice agencies should agree to meet regularly to discuss practical and policy issues with a recommendation to meet quarterly at local authority officer level and annually with elected members.
- All parties should have dedicated contacts accessible on direct lines and by electronic means so that issues can be taken up quickly.
- All parties should promote mutual understanding by providing training workshops and/or exchange visits so that those involved understand the issues facing respective organisations.
- Vulnerable people: local authorities and advice agencies should work together to develop a fair collection and enforcement policy highlighting examples of vulnerable people and specifying clear procedures about how they should be dealt with. 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 concerning council tax collection and recovery should be reviewed as part of liaison work between local authorities and advice agencies.

- Publicise debt advice contact details on literature and council tax 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 as soon as possible in order to agree payment plans. Work together to ensure that the tone of letters is not intimidating and encourages prompt engagement by council tax payers experiencing financial difficulties.
- Local authorities should consider providing literature addressing any likely concerns council tax debtors involved in the recovery process 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 benefit, 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 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 for council tax when they have the money.

Recovery

If a council tax bill is 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 and understood.
- Recovery officers should provide the debtor with a contact number should they wish to speak to the billing authority.
- All charges associated with recovery should be kept regularly under review to ensure they are reasonable. Bailiffs employed by billing authorities should only make changes in accordance with council tax collection and enforcement regulations.
- Consider the level of debt (inclusive of liability order fees) before bailiff action is taken.
- Billing authorities will have varying definitions of a vulnerable person/household. Recovery action will be referred to the billing authority where these criteria are found to have been met.
- Find out whether the debtor has outstanding claims for council tax benefit or housing benefit which are contributing to arrears. Recovery can be suspended once it is established that a legitimate claim is pending.
- Billing 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.
- Ensure procedures 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, in practice, 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. Billing authorities will regularly monitor the performance of those recovering debts on their behalf and ensure that contractual and legal arrangements are adhered to.
- 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.

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