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Council tax debt enforcement during the Covid-19 pandemic

As the UK's three largest charitable providers of independent debt advice, we welcome the fact that the Government is now working at pace on plans for a recovery package to boost the economy following lockdown.

Your department now has a vital window of opportunity to put in place much-needed protections for the millions of people who have fallen behind on their council tax bills and face the threat of bailiff enforcement from the end of August.

According to independent research by StepChange, 4.6 million households have built up over £6 billion of arrears and debt that is directly attributable to the coronavirus crisis – £1,000 arrears and £1,000 in debt for every family affected

Upwards of £500 million of this is in unpaid council tax over the lockdown period according to the Local Government Association. This suggests as many as 1.3 million households are in council tax arrears as a result of covid-19.

Research published tomorrow from Citizens Advice (attached) shows that among those most financially affected by the ongoing pandemic and social distancing regulations are carers and people in the 'shielded' group. These groups are up to four times as likely to have missed council tax payments as a result of covid-19.

The existing regulations around council tax debt collection push councils to use out-of-date and inefficient methods that don't provide value for money, while pushing people on low incomes further into debt. While we welcome the department's review of guidance, it will not give councils the power, or council tax payers the protection, that legislation would.

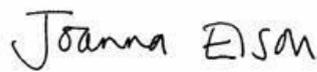
A simple change to the Council Tax (Administration and Enforcement) Regulations would help solve this problem without needing time-consuming primary legislation. Changes are needed to give councils more flexibility to recover debts in an affordable way outside the court process, and to ensure they offer affordable repayment plans to residents. **Given the scale of financial difficulty during the covid-19 crisis, we would urge the government to not lift the ban on bailiff visits until further protections are in place.**

Former government ministers, backbenchers, charities, and councils themselves are calling for change on this issue. We are keen to work with the government to take advantage of the window of opportunity this new deadline affords, and look forward to hearing the department's plans to protect people falling behind on their council tax bills once bailiff activity resumes. The content of this letter will be published on our respective websites tomorrow.

Yours sincerely,



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Chief Executive
Citizens Advice



Joanna Elson OBE
Chief Executive
Money Advice Trust



Phil Andrew
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