

Council Tax Arrears Good Practice Protocol for York.

In April 2016 Eric Ollerenshaw published 'Three years on: an independent review of local Council Tax support schemes'. The review was charged with meeting the requirements set out in the Local Government Finance Act 2012, to look at whether the schemes are efficient, effective, fair and transparent, consider their impact on the localism agenda, and to make recommendations as to whether or not the schemes should be brought within Universal Credit.

A key recommendation was for Local Authorities to sign up to the Council Tax Arrears Good Practice Protocol developed by Citizens Advice and the Local Government Association (LGA).

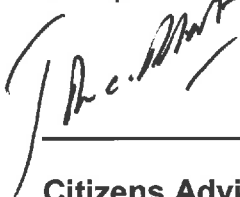
Citizens Advice York (CAY) and the City of York Council (CYC) are committed to working in partnership to ensure good practice in respect of council tax support, collection and recovery. Both organisations welcome the opportunity to sign the protocol and work in partnership to review activity, maintain dialogue and develop effective and fair local authority collection, recovery and debt prevention.

This document includes both the Council Tax Arrears Good Practice Protocol developed by Citizens Advice and the LGA as well as a plan for local action that CAY and CYC agree to work together on.

The protocol sets out some general principles for partnership working in this area that CAY and CYC will use to guide this work.

The local action plan includes five specific areas that both organisations commit to working on over the next year. These include reviewing the impact of minimum Council Tax (CT) contributions, considering any changes to the level of support, adopting a financially inclusive policy in collection practices, ensuring appropriate responses to the issue of vulnerability and accessibility, and to establish an annual review procedure with partners to build upon and develop good practice in this area.

Representatives from CYC and CAY will work together to undertake this activity over the next 12 months and will provide update reports to the Financial Inclusion Steering Group (FISG). This document is signed below by John Short, Chair of CAY and Cllr Chris Steward from CYC on 20th Dec 2017 and gives a public commitment to the protocol and its principles of fairness, partnership working and transparency in local authority debt collection;



Citizens Advice York



City of York Council

The Protocol

Developed by Citizens Advice and the Local Government Association (LGA), the 'Council Tax Arrears Good Practice Protocol' sets out a useful framework for local citizens' advice organisations to work with local authorities on this issue.

The protocol makes a number of suggestions about how local groups and councils can work together to review activity, maintain dialogue and develop effective and fair local authority debt collection.

First launched in 2009 and refreshed in 2013, the protocol is a proven aid to fair and effective debt collection. The protocol focuses on three areas, partnership, information and recovery as follows.

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.

- Local authorities and CAB 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.
- Annual review of payment date options available to council tax payers to allow people to budget more effectively.

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.
- Bailiffs must work to a contract with CYC and provide clear information to the debtor including 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 with the local authority 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. The local authority will set the final decision and communicate this to Bailiffs and the customer or debt advice agency.
- 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.

Local Action Plan

This section sets out the five key areas that CYC and CAY will work together to ensure fair and appropriate practice regarding council tax arrears.

1. Review the impact of Council Tax (CT) contribution

- CAB and the City of York Council will undertake an annual review of the impact on low income households to include an activity based costing to analyse and evaluate the broad costs and impact in terms of revenue from minimum payments, recovery costs, debt and organisational capacity.

2. Annual review to revise the amount of Council Tax Support (CTS)

- Consider revising the minimum payment amount, and option for a further reduction under some circumstances, possibly creating 'passporting' criteria for individuals entitled to certain benefits, e.g. UC, ESA, PIP etc.

3. Adopt a financially inclusive and responsible approach to recovery policy and practice.

- To include advice agencies in an ongoing review of recovery measures used for CTS recipients to maintain proportionate action including regular debt advice surgeries. .
- Ensure proactive contact and accessible notification of arrears and where help is available, i.e. SMS notifications, follow up calls, reminder letters, 'soft' summons, promotion of CAY services.
- Review the CYC CT recovery policy against other local authorities in terms of summons, costs and impact to ensure a financially inclusive approach.
- Ongoing promotion of hardship and discretionary schemes.

4. Ensure appropriate responses to the issue of vulnerability and accessibility.

- Establish specific responses to identifiable groups who may have particular support needs, e.g. asylum seekers, care leavers, carers, disabled people, single parent and low income families.
- Develop a shared understanding and real life examples of how these may contribute to an individual getting into arrears and what support is required.

5. Establish ongoing dialogue and review of CT upon low income households

- Set up a working group on CT arrears, or embed within an established group that is relevant to this work.
- Engage this group in the annual process by which CYC reviews and agrees policy and practice, including CTS levels.

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