

Council Tax Protocol

Collection of Council Tax arrears in Sefton

In partnership with



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We agree to adopt this protocol as our public commitment to its principles of fairness, partnership working and transparency in local authority debt collection in the Sefton Borough.

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1. Introduction

- 1.1 Council Tax payers in Sefton receive a better level of service when the Council, its Enforcement Agents and Citizens Advice Sefton work closely together. Early intervention and proactive contact with people struggling with bill payments can help prevent them incurring further charges and help alleviate stress. It can also potentially help reduce both collection costs and calls on local public services, particularly mental health services.
- 1.2 In setting down clear procedures and keeping them regularly under review, all parties to the Collection of Council Tax Arrears Protocol in Sefton (“the protocol”) can ensure that cases of arrears are dealt with appropriately whilst complaints are handled efficiently. The protocol outlines the way local partnerships in Sefton can be strengthened and our residents better supported.
- 1.3 The intention of this protocol is to ensure that Council Tax arrears are dealt with quickly, effectively and realistically. This partnership approach is even more important at a time of economic uncertainty in order to ensure that Sefton residents 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.

2. Background

- 2.1 This protocol seeks to align itself with the “Revised Council Tax Arrears Good Practice Protocol” agreed in June 2017 with Citizens Advice and the Local Government Association. Developed through partnership work between the national bodies representing advice agencies, local government and enforcement agencies throughout England and Wales, the “Revised Council Tax Arrears Good Practice Protocol” published by Citizen Advice builds upon the previous protocol, which the Government recommended local authorities adopt in their 2013 guidance. The protocol reflects best practice at local level and is

intended to facilitate regular liaison on practices and policy concerning Council Tax debt collection.

3. Partnership working

To foster effective partnership working in Sefton:

- 3.1 Sefton Council, its Enforcement Agents and Citizens Advice Sefton will meet regularly to discuss practical and policy issues and report annually to Sefton Council's elected members (Councillors).
- 3.2 All parties to provide dedicated contacts accessible on direct lines and electronically so that issues can be taken up quickly.
- 3.3 All parties will promote mutual understanding by providing training workshops, undertaking exchange visits and sharing good practice.
- 3.4 The Council is responsible for the overall Council Tax collections process and will ensure that all staff involved in collecting Council Tax receive the appropriate training, particularly on vulnerability and hardship.
- 3.5 The Council, the Enforcement Agents and Citizens Advice Sefton will work together in developing procedures, such as the Code of Practice for Enforcement Agents working in Sefton, highlighting examples of vulnerable people or those who find themselves in vulnerable situations, and specifying clear procedures in dealing with them. Contractual arrangements with the Enforcement Agents specify procedures for the Council to take back cases involving vulnerable people.
- 3.6 The Council will consider any informal complaints where debtors may be afraid to complain formally where Enforcement Agent activity is ongoing. Informal complaints received from Citizen Advice Sefton or other advice agencies can indicate problems worthy of further investigation both locally by the Council, under its Corporate Complaints Procedures, and by referral to national bodies such as the Civil Enforcement Association (CIVEA).

4. Information

To improve the information supplied to Council Tax payers about the billing process, how to get support and debt advice and to promote engagement:

- 4.1 All parties to this agreement will work together to produce letters that clearly and consistently explain how Council Tax bills have been calculated (including any Council Tax Reduction Scheme awarded). Council Tax bills will make it clear that Council Tax is a priority debt and explain the consequences of not making payment by the date specified. As far as possible, within the constraints of the Council's billing software system, where a taxpayer has Council Tax arrears, the letters will outline how the debt has been accumulated and over which time

period. The layout and language of bills and letters will be easy to understand, and all letters to include a contact phone number and how to contact the Council. All information will also be available online in a clear format.

- 4.2 The Council will consider reviewing payment arrangements and offer more flexible options, including, subject to practicality, different payment dates within the month, spreading payments over 12 months and, potentially, different payment amounts to assist those on fluctuating incomes. This will allow people to budget more effectively.
- 4.3 The Council and its Enforcement Agents will publicise local and national debt advice contact details on literature and notices. Citizens Advice Sefton will help by promoting the need for debtors to contact the Council or the Enforcement Agent Company promptly in order to agree payment plans. All parties will work together to ensure the tone of letters is not intimidating but encouraging of engagement.
- 4.4 The Council will ensure that its Enforcement Agents have appropriate information about the Council Tax debts they are recovering, so they can put this in letters they send to debtors and answer any questions.
- 4.5 The Council will ensure that information about its Enforcement Agents and the enforcement process is available on its website. This information will cover charges Enforcements Agents are allowed to make by law, how to complain about Enforcement Agent behaviour or check Enforcement Agent certification and further help available from the Council and Citizens Advice Sefton.
- 4.6 All parties will work together to review and promote better engagement by Council Tax payers. This will include providing information on how bills can be reduced through reliefs, such as sole occupier, carer or student discounts; exemptions, such as where properties are left empty by persons needing personal care; and the Local Council Tax Reduction Scheme for low income households (pensioners and working age).
- 4.7 Council Tax payers will be advised that they should contact the Council if they experience financial hardship and the consequences of allowing priority debts to accumulate. Where appropriate, all parties to provide information about local discretionary financial support such as Sefton Council's Emergency Hardship Fund and Emergency Limited Assistance Scheme. The Council will promote links to budgeting tools available via the website of Citizens Advice Sefton. The Council will promote information via social media, such as Twitter, and all parties to use opportunities for any joint campaign work.

5. Recovery

If a Council Tax bill is not paid, then the statutory recovery process comes into play. While the Council strives to make early contact with a debtor, the first point of

engagement by a debtor often only occurs when an Enforcement Agent visits the debtor's home. Every effort will be made at or before the Tribunal Courts and Enforcement Act's compliance stage, including debt and money advice referrals and to assess whether vulnerability or hardship applies, so as to avoid escalating a debt. Therefore:

- 5.1 The Council and its Enforcement Agents will work in partnership with Citizens Advice Sefton on the content, language and layout of all documents, produced by the Council and its Enforcement Agents. This should aim to ensure that the rights and responsibilities of all parties, particularly those of the debtor, are clearly set out.
- 5.2 The Enforcement Agents will provide the debtor with details of how to contact the Council should they wish to speak with someone from the Council.
- 5.3 The Council will keep all charges associated with recovery under regular review to ensure they are reasonable and as clear and transparent as possible and reflect actual costs incurred. Enforcement Agents will only make charges in accordance with Council Tax collection and enforcement regulations, particularly the Tribunal Courts and Enforcement Act.
- 5.4 The Council will periodically review what level of debt (inclusive of liability order fees) should have accrued before Enforcement Agent action takes place, as enforcement will add additional costs to a debt.
- 5.5 The Council will keep under review cases that are identified as vulnerable and the different definitions of a vulnerable person.
- 5.6 Where vulnerability has been identified by the Council or Citizens Advice Sefton consideration will be given to alternative recovery methods available and the debt only passed to Enforcement Agents where all other recovery options have been exhausted. Where the Enforcement Agent Company identifies a vulnerable household, the Councils Code of Practice for Enforcement Agent Services and the National Standards for Enforcement Agents must be followed.
- 5.7 The Council will regularly review and publish its policies which cover hardship, including how these relate to Council Tax arrears.
- 5.8 Where a household is currently in receipt of Council Tax Reduction Scheme the Council will consider matters carefully and determine whether to pass such cases to its Enforcement Agents, based on the individual circumstances of the case. In most cases, such debts will be collected by way of a debt collection service activity by the Enforcement Agents rather than under the enforcement regulations as set out in the Tribunal Courts and Enforcement Act.
- 5.9 Debtors may have outstanding claims for Universal Credit, Council Tax

Reduction Scheme or other benefit(s) which are contributing to their arrears. If appropriate the Council will consider suspending recovery action once it is established that a legitimate and relevant claim is pending.

5.10 In all cases where exceptional financial difficulty is identified a 28 day hold or “breathing space” on enforcement action will be put in place by the Council and/or its Enforcement Agents if the debtor can demonstrate that they are currently seeking debt advice from an accredited advice provider.

5.11 Citizens Advice Sefton can negotiate payments on behalf of the Council Tax payer at any point in the recovery process, including when the debt has been passed to the Enforcement Agent. In some cases, the debtor may only contact an advice agency following a visit from the Enforcement Agent.

5.12 Whilst full individual actual financial expenses for each case will normally be required by the Council and its Enforcement Agents when assessing ability to pay, the Council and its Enforcement agents may consider accepting and using the Standard Financial Statement (SFS) or Common Financial Statement on a case by case basis as long as this is consistent with securing value for money for all Council Tax payers.

5.13 Each case will be examined on its merits and repayment arrangements need to be affordable and sustainable, while ensuring that the debt is paid off within a reasonable period. Where appropriate, the Council and its Enforcement Agents will provide the flexibility to spread repayments over more than a year, including beyond the end of a financial year.

5.14 The Council will prioritise direct deduction from benefits or attachment of earnings in preference to using Enforcement Agents. This avoids extra debts being incurred by people who may already have substantial liabilities.

5.15 Clarity will be provided by the Council to the debtor and the Enforcement Agents as to which debts are being paid off, in what amounts and when, especially where a debtor has multiple liability orders. Where appropriate, debts will be consolidated before being sent to Enforcement Agents.

5.16 The Council will publish a clear procedure for people to report complaints about all stages of recovery action. The Council will regularly monitor complaints received about its Enforcement Agents and require its Enforcement Agents to supply details of all complaints received by them together with the outcomes each month. Subject to requirements of commercial confidentiality and the Data Protection Act, the Council may publish the performance (including complaints) of those Enforcement Agents it uses.