



Six steps for local authorities

As part of our ongoing Stop The Knock campaign to improve local government debt collection practices, we are recommending six steps for all lower-tier local authorities to implement, where they are yet to do so. Find out more at www.stoptheknock.org

1 Make a clear public commitment to reduce the council's use of bailiffs over time

Local authorities passed 2.6 million debts to bailiffs in 2018/19, with council bailiff use up 7% since 2016/17. Half of councils (49%) increased their use of bailiffs in that time.

We recommend that council leaders make a clear public commitment to reduce the use of bailiffs over time by improving their debt collection practices, in order to provide clarity to officers at an operational level. This commitment could take the form of a public statement, a formal decision or statement of administration policy, or a motion of Full Council. This commitment should include all debt types, not just council tax arrears.

Visit the Money Advice Trust's www.stoptheknock.org website for details of your council's bailiff use, and email policy@moneyadvicetrust.org to find out more about the campaign.

2 Review the council's signposting to free debt advice, including phone/online channels

Almost all councils signpost residents in financial difficulty to free debt advice, mostly to local agencies, with one in two councils also signposting to phone/online advice.

We recommend that all councils regularly review their signposting and referrals processes to ensure that all opportunities to help people access free debt advice are maximised. This should be implemented for all debt types, not just council tax. For councils who currently signpost only to face-to-face agencies, we recommend providing residents with a choice of channel by additionally signposting to telephone/online advice agencies.

For more details see the [Supportive Council Tax Recovery Toolkit](#), produced by the Money and Pensions Service, and resources for referring residents [National Debtline](#).

3 Adopt the Standard Financial Statement (SFS) to objectively assess affordability

77 local authorities have now adopted the Standard Financial Statement, run by the Money and Pensions Service – up from 61 authorities two years ago.

We recommend that councils adopt the Standard Financial Statement (SFS), which provides a consistent, fair and industry-recognised method of working out affordable repayments, for residents in financial difficulty. For all types of debt, councils should proactively establish ability to pay before sending accounts for enforcement – and accept any provided SFS-compliant financial statement as a true reflection of income and expenditure.

For further information about the [Standard Financial Statement](#) and how it could help your council visit the SFS website or contact the [Money and Pensions Service](#).

4 Put in place a formal policy covering residents in vulnerable circumstances

59% of local authorities have a formal policy in place covering residents in vulnerable circumstances, either a separate policy or within a wider debt collection policy.

We recommend that all local authorities should introduce, for all debt types, a formal vulnerability policy – either as a standalone document or in the form of specific and detailed provisions in a broader debt collection or corporate debt recovery policy. This should include identifying vulnerable residents and amending collections processes accordingly. Policies should be published and reviewed regularly, and should be accompanied by staff training

For further information see the [Money Advice Trust's work](#) on helping organisations to identify and support people in vulnerable circumstances, including our [resources hub](#).

5 Exempt Council Tax Support recipients from bailiff action (for authorities in England)

30 councils in England have a policy of exempting Council Tax Support recipients, who have already been identified as requiring additional support, from bailiff action

For authorities in England, we recommend exempting recipients of Council Tax Support, who have already been identified as requiring additional support through locally-determined criteria, from bailiff action altogether. This recommendation would see local authorities follow the lead of the small number of councils who have adopted this approach, which has been shown to deliver significant results for both residents and the taxpayer.

For more information about approaches to Council Tax Support recipients, including examples of good practice, read the Child Poverty Action Group's and Z2K's [report](#).

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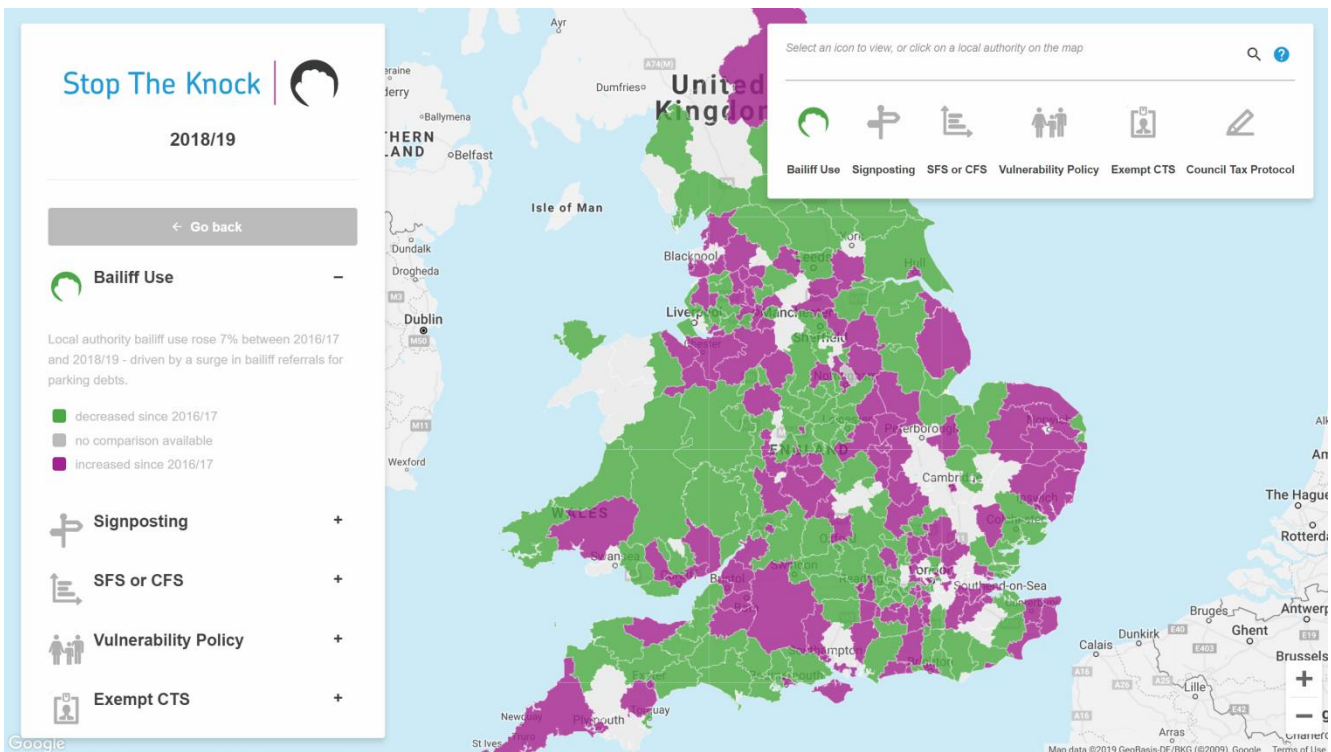
Sign the Council Tax Protocol and review the authority's current practice against the 'Supportive Council Tax Recovery' Toolkit

64 councils told us they have signed the Council Tax Protocol, developed by Citizens Advice and the Local Government Association – with a further 23 considering this

Finally, we recommend that all local authorities in England should sign up to the revised Citizens Advice/Local Government Association Council Tax Protocol, agreed in June 2017. Many of the principles in the Protocol – and its Wales equivalent – can be operationalised using the Money and Pensions Service's Supportive Council Tax Recovery Toolkit, against which we would recommend all local authorities review their current practices.

Review the revised Citizens Advice/LGA [Council Tax Protocol](#) and consider the guidance in the Money and Pensions Service's [Supportive Council Tax Recovery toolkit](#).

All research findings taken from *Stop The Knock: An update on local authority debt collection practices in England and Wales*. Report available at www.stoptheknock.org



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