




# Rural & Communities Overview & Scrutiny Committee: Informal Update

16th January 2020




SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL

1

## Background

---

**Revenue from council tax and non-domestic rates contribute to the cost of providing vital local services.**

**The legal framework**

*Council Tax*

- Local Government Finance Act 1992
- Council Tax (Administration & Enforcement Regulations 1992)

*Non-Domestic Rates*

- Local Government Finance Act 1988
- Non-Domestic Rating (Collection & Enforcement (Local Lists) Regulations 1989)





SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL

2

## Current SKDC position

In SKDC there are circa 64,800 dwellings and 4,600 non-domestic properties:

### Council Tax

In 2018/19 we:

**Instructed 'in year' enforcement agents on 2,044 occasions (3% of dwellings) 0.5% down on 17/18**

- issued 15,023 reminders
- issued 917 final notices
- issued 5,994 summonses
- obtained 3,273 liability orders
- 2,045 occasions in 17/18 and 1,925 occasions 16/17

### Non-Domestic Rates

In 2018/19 we:

**Instructed 'in year' enforcement agents on 71 occasions (2% of properties) 2.9% up on 17/18**

- issued 1,038 reminders
- issued 87 final notices
- issued 170 summonses
- obtained 103 liability orders
- 69 occasions in 17/18 and 119 occasions in 16/17

Stop The Knock | 



3

## In Practice

### Officers are trained to:

- Withdraw enforcement agents where vulnerability has been identified
- Consider withholding, suspending or withdrawing recovery action whilst debt advice is sought.
- Consider working with an individual to work through any short term financial difficulties by, for example, rescheduling instalments.
- Consider affordable payment arrangements where court action has commenced in order to prevent further enforcement action.
- Consider instructing Enforcement Agents to accept a payment arrangement, thereby suspending action.

Stop The Knock | 



4

## SKDC Practice

---

- Once a debt has become the subject of a liability order, our software will process each case and select the most appropriate recovery option. Where no other option is considered appropriate, a notice letter is sent, seeking payment or inviting contact.
- The instruction of enforcement agents is taken as a last resort and only after a manual check is undertaken. This check provides an opportunity for officers to take a different recovery path (or no recovery path at all) if it is considered appropriate.
- Officers can (and do) intervene at all stages of the recovery process where it is considered appropriate. This includes the imposition of a payment arrangement or the withdrawal of a debt from an enforcement agent

Stop The Knock



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL

5

## A case study

---

- A resident was visited by an enforcement agent late one Friday afternoon. Meeting with the resident, the agent identified vulnerability.
- The enforcement agent ceased enforcement action and contacted a member of the revenues team to make his concerns known.
- The officer, wanting the vulnerable resident to receive assistance as soon as possible, remained at her desk, for extended hours, and contacted relevant agencies in order to ensure the appropriate support was provided.
- A social worker subsequently took up the case and other agencies became involved:
  - LCC's wellbeing service
  - a cleaning company (to deep clean the property)
  - our own Environmental Health team to assess entitlement to disabled facilities grants

This resident circumstances might not have improved without the intervention of the agent and our officer.

Stop The Knock



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL

6

## 'Stop the Knock' Initiative and Objectives

- The Money Advice Trust, the charity that runs the National Debtline, recommends six steps for all lower-tier local authorities to implement in order to improve debt collection practice:
  1. **Make a clear public commitment to reduce the council's use of bailiffs over time.**
  2. **Review the council's signposting to free debt advice, including phone/online channels**
  3. **Adopt the Standard Financial Statement (SFS) to objectively assess affordability**
  4. **Put in place a formal policy covering residents in vulnerable circumstances**
  5. **Exempt council tax support recipients from bailiff action**
  6. **Sign the Council Tax Protocol and review the authority's current practice against the 'Supportive Council Tax Recovery' toolkit**

Stop The Knock



7

## 'Stop the Knock' Initiative and Objectives – What we currently do....

1. **Make a clear public commitment to reduce the council's use of bailiffs over time.**
  - Officers engage with our residents and businesses at all stages of the recovery process to provide advice and assistance. This will reduce/mitigate the recovery action.
  - The following documents have been published on our website:
    - Corporate enforcement policy  
<http://www.southkesteven.gov.uk/CHttpHandler.ashx?id=20139&p=0>
    - Fair collection and debt recovery policy  
<http://www.southkesteven.gov.uk/CHttpHandler.ashx?id=14633&p=0>
    - Council Tax Support information  
<http://www.southkesteven.gov.uk/index.aspx?articleid=8129>

Stop The Knock



8

### 'Stop the Knock' Initiative and Objectives– What we currently do....

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

- Officers who engage with our residents signpost them to free debt advice agencies
- Links to free debt advice agencies are contained within our website:  
<http://www.southkesteven.gov.uk/index.aspx?articleid=9231>
- Information regarding Universal Credit (together with other benefit information) can be found within our website: <http://www.southkesteven.gov.uk/index.aspx?articleid=13975>

Stop The Knock | 



9

### 'Stop the Knock' Initiative and Objectives– What we currently do....

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

Officers within the revenues team have developed their own income & expenditure form which is used to objectively assess affordability. This form is frequently reviewed to ensure its effectiveness.

Officers within the benefits team administer applications for discretionary housing payments which reduce the amount of council tax a resident has to pay.

Stop The Knock | 



10

### 'Stop the Knock' Initiative and Objectives– What we currently do....

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

- There is no statutory definition of 'vulnerability'.
- Vulnerability can be permanent or temporary and an individual can experience vulnerability at any time.
- Vulnerability does not mean that a person is exempt from paying their debts. Regulation 12 of the Taking Control of Goods (Fees) Regulations 2014 states that an enforcement agent must give, "...adequate opportunity to get advice and assistance..." SKDC support this advice and assistance in all contact and support for the customer
- A vulnerable persons guidance/policy has been drafted so could now be progressed through scrutiny to be adopted across the whole organisation

Stop The Knock | 



11

### 'Stop the Knock' Initiative and Objectives– What we currently do....

#### 5. Exempt council tax support (CTS) recipients from bailiff action.

- It doesn't necessarily follow that a recipient of CTS is unable to pay their council tax. A resident in receipt of CTS may nevertheless have the means to pay but choose not to.....a won't pay, not a can't pay.
- Might this raise an equalities issue as should a recipient of CTS automatically be treated differently from other residents?
- Our CTS scheme has remained the same since 2013, despite many authorities having less generous schemes from the outset or less generous over time.
- Discretionary Housing Payments can lessen the cost of council tax.

Stop The Knock | 



12

### 'Stop the Knock' Initiative and Objectives– What we currently do....

- 6. Sign the council tax protocol and review the authority's current practice against the 'Supportive Council Tax Recovery' toolkit.**
- So far, 61 authorities have signed up
  - Consider the protocol and whether this is the one to sign up to, or one that we develop and scrutinise and adopt to be use in to be consultation with our local CAB and other key partners
  - Is a local protocol preferable to a 'one size fits all' national agreement which has been drawn up by another organisation?

Stop The Knock | 



13

### Enforcement Agents (bailiffs)

Enforcement Agents operate under Service Level Agreements which set operational parameters. Regular meetings review performance and deal with any issues.

- The bailiff industry was reformed following the introduction of:
  - The Tribunals, Courts and Enforcement Act 2007
  - The Taking Control of Goods Regulations 2013
  - The Taking Control of Goods (Fees) Regulations 2014
- Alongside the SLA's, Enforcement Agent company's work in accordance with their own:
  - codes of practice
  - vulnerability policies
  - safeguarding policies

Stop The Knock | 



14

## Enforcement Agents (Bailiffs)

---

Since the implementation of the changes for SKDC:

- Enforcement Agents have received (since 2017) 10 complaints – with one being upheld.
- Officers have responded to recorded a handful of complaints – none of which have been upheld.
- No disputes as to enforcement activity have been determined by the High Court.

Stop The Knock



15

## Next Steps

---

Is the next course of action to develop and refresh the actions we have in place and implement those that are required by the portfolio holder and the Rural and Communities OSC?

Stop The Knock



16