



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Rural and Communities Overview and Scrutiny Committee

20 February 2020

Report of: Councillor Adam Stokes

Cabinet Member for Finance and
Resources



Best Practice Policy and Protocol on debt collection

The purpose of this report is to agree the next actions to develop SKDC's best practice policy and protocol on debt collection in line with the 'Stop the Knock' initiative from the Money Advice Trust.

Report Author

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Corporate Priority:	Decision type:	Wards:
Administrative	Key	All Wards

Reviewed by:	Richard Wyles, Director of Finance	10 February 2020
Approved by:	Ken Lyon, Assistant Chief Executive, Housing Delivery	10 February 2020
Signed off by:	Councillor Adam Stokes, Cabinet Member for Finance and Resources	12 February 2020

Recommendation (s) to the decision maker (s)

1. **Recommends to approve the next steps and actions for developing protocols and best practice for the 'Stop the Knock' initiative as identified at the OSC on 16 January 2020.**
2. **To develop the protocol and best practice initiatives in consultation with a working group and to recommend them for Cabinet to consider for approval.**

1 The Background to the Report

- 1.1 Following a presentation (Appendix 1) at the 16th January 2020 Rural and Communities OSC and recommendations, Cabinet have requested that officers and members of the OSC develop three items of best practice and protocol, in order to produce a report with recommendations to consider.
- 1.2 In South Kesteven, there are in the region of 64,800 dwellings and 4,600 non domestic rate properties. During 2017/2018, in year enforcement agents had been used on 2,044 occasions for Council Tax (3% of dwellings) and 71 occasions for NDR (2% of properties). There had been a 0.5% reduction from the previous year for Council Tax but a rise of 2.9% for NDR.
- 1.3 The Head of Customer Experience and IT provided details of how officers deal with customers in relation to enforcement agents. All officers are trained in how to deal with customers including where there was a vulnerability and the steps they could consider when dealing with an application. All officers are supportive and work with individuals to try and find ways to make payments wherever possible, including directing them to Citizens Advice and, where appropriate, making appointments on their behalf.
- 1.4 Once a debt is the subject of a liability order, software is used to process each case with the most effective recovery option. Where no other option is considered appropriate, a notice letter is sent seeking payment or inviting the customer to contact the Council. The instruction of enforcement agents is taken as a last resort after a manual check has been carried out. The manual check enables officers to take a different recovery path if it was considered appropriate.
- 1.5 The “Stop the Knock” initiative and objectives came out of the Money Advice Trust, a charity run by the National Debtline that recommended six steps for lower tier authorities to implement in order to improve debt collection practices. The six steps were;
- 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

2 Consultation and Feedback Received, Including Overview and Scrutiny

- 2.1 As outlined in paragraph 1.1 above, a presentation and discussion took place at the Rural and Communities Overview and Scrutiny Committee on 16 January 2020 and the committee unanimously supported the preferred option proposed within this report.
- In addition, it is recommended that a member working group be established to develop the policies and procedures and report back to the OSC at a later meeting.

3 Preferred Option

- 3.1 To work with the committee to develop the best practice policies and protocol on debt collection recommendations for three of the six steps in the ‘Stop the Knock’ initiative:

- Step 1: Makes a clear public commitment to reduce the Council's use of bailiffs over time
- Step 4: Put in place a formal policy covering residents in vulnerable circumstances
- Step 6: Develops and adopts a local Council Tax Protocol rather than the National Council Tax protocol

4 Reasons for the Recommendation (s)

- 4.1 The proposed policies and protocols will be designed to improve debt collection practice in SKDC and provide improved guidance and support to customers.

5 Next Steps – Communication and Implementation of the Decision

- 5.1 Arrange working group workshop sessions with Members and officers, with the first workshop objective to develop a timeline, with key dates to include actions in paragraph 5.2 to 5.4 below.
- 5.2 Produce the draft policies and protocols with working group approval.
- 5.3 Present the developed policies and protocols to be signed off at a future meeting of the Rural and Communities Overview and Scrutiny Committee, ahead of being presented in a report to Cabinet.
- 5.4 Produce the report for presentation at April 2020 Cabinet.

6 Financial Implications

- 6.1 Agree with the proposal to progress the development of the policies and protocols. These will then be reviewed for financial implications with the working party and will be included in the report for Cabinet.

Financial Implications reviewed by: Richard Wyles, Director of Finance

7 Legal and Governance Implications

- 7.1 No other legal implication other than those explained within the report.

Legal Implications reviewed by: Shelley Hardy, Legal Executive

8 Equality and Safeguarding Implications

- 8.1 The developed proposals will work in conjunction with the SKDC Safeguarding Policy by recommending a set of guidelines and referral actions to be taken in enforcement situations for covering residents in vulnerable circumstances.

9 How will the recommendations support South Kesteven District Council's declaration of a 'climate emergency'?

- 9.1 The recommendation will be neutral, with no carbon impact. This will be reviewed again once the proposals are developed.

10 Background Papers and Website Links

- 10.1 The Money Advice Trust, the charity that runs the National Debt line, recommends six steps for all lower-tier local authorities to implement in order to improve debt collection practice. More details are available at <https://www.stoptheknock.org/>

Enforcement Links from SKDC Website:

<http://www.southkesteven.gov.uk/index.aspx?articleid=12189>

<http://www.southkesteven.gov.uk/CHttpHandler.ashx?id=14633&p=0>

<http://www.southkesteven.gov.uk/index.aspx?articleid=13975>

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>

11 Appendices

- 11.1 Appendix 1 – ‘Stop the Knock’ Presentation from the 16 January 2020 meeting of the Rural and Communities Overview and Scrutiny Committee

Report Timeline:	Date of Publication on Forward Plan (if required)	17 February 2020
	Previously Considered by: Rural and Communities Overview and Scrutiny Committee	16 January 2020
	Final Decision date	14 April 2020