

## Six steps for local authorities

As part of our Stop The Knock campaign to improve local government debt collection we are recommending six steps for councils to implement, where they are yet to do so. Find out more at [www.stoptheknock.org](http://www.stoptheknock.org)

### **1** Make a clear public commitment to reduce the use of bailiffs over time

*2.3 million debts were passed to bailiffs in 2016/17, with council bailiff use up 14% since 2014/15. More than six in 10 local authorities (62%) 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, 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. We recommend that council leaders consider making this commitment in time for the beginning of the 2018/19 financial year.

*Find out more* Visit the Money Advice Trust's [www.stoptheknock.org](http://www.stoptheknock.org) website for details of your council's bailiff use, and email [policy@moneyadvice Trust.org](mailto:policy@moneyadvice Trust.org) to find out more about the campaign

### **2** Review signposting to free debt advice, including phone/online channels

*Our research shows 97% of councils signpost residents in financial difficulty to free debt advice*

We recommend that all councils regularly review their signposting to ensure that all opportunities to signpost to debt advice – at all stages of the process – are maximised. For the small number of councils who do not currently signpost to free debt advice, this should be introduced as a matter of urgency. For those councils that currently signpost only to face-to-face advice, we recommend considering offering the additional option of referring to telephone and online advice services such as National Debtline, so that residents have the choice of accessing advice via the channel most appropriate to their circumstances.

*Find out more* For more details see the Money Advice Service's [Working with Debt Advice Agencies toolkit](#) and resources for [referring residents to National Debtline](#)

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

*19% of councils told us they have adopted the SFS, or its predecessor the Common Financial Statement*

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. Local authorities should accept SFS-compliant financial statements as a true reflection of income and expenditure, from both residents themselves and advisers on their behalf. Councils should also align all internal forms of 'income and expenditure' or 'means enquiries' to the SFS to ensure that a prescribed and consistent framework is used for assessing affordability.

*Find out more* For further information on the SFS and how it could help your council to collect unpaid debt [visit the SFS website](#) or contact the [Money Advice Service](#)

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

*Nearly half of councils (44%) have not yet put in place a formal vulnerability policy*

We recommend that all local authorities should introduce a formal vulnerability policy, and make this policy public. This policy should include identifying vulnerable households and amending the collections process appropriately – including not passing anyone on for enforcement who has been assessed as in vulnerable circumstances. There should be a clear mechanism to refer cases back to the local authority where enforcement action is not appropriate. We also recommend that councils should consider training for revenues and other relevant officers on working with residents in vulnerable circumstances.

*Find out more* For further information see the [Money Advice Trust's work](#) helping organisations to identify and support people in vulnerable circumstances in their collections processes

## **5** Exempt Council Tax Support (CTS) recipients from bailiff action (England only)

*23 councils in England are leading the way by exempting Council Tax Support recipients 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. The London Borough of Lambeth introduced an exemption from bailiff action for Council Tax Support recipients in 2015/16. A [2016 report](#) from the Child Poverty Action Group and Z2K found that Lambeth's collection rate for Council Tax Support claimants actually increased from approximately 80% in 2014/15 to 93% in 2015/16, taking Lambeth from one of the lowest collection rates to one of the highest.

*Find out more* For more information about approaches to Council Tax Support recipients, including good practice developed in Lambeth in CPAG and Z2K's [report](#).

## **6** Sign the Council Tax Protocol and examine the Money Advice Service toolkit for working with debt advice agencies

*50 councils have signed the Council Tax Protocol so far, which provides practical steps to prevent people getting into arrears in the first place.*

Finally, we recommend that all local authorities should sign up to the revised Citizens Advice/Local Government Association (LGA) [Council Tax Protocol](#), agreed in June 2017. Many of the principles in the Protocol can be operationalised using the Money Advice Service's creditor toolkit, [Working collaboratively with debt advice agencies](#), which provides guidance for revenues and other officers and also covers all debt types.

*Find out more* Review the revised Citizens Advice/LGA [Council Tax Protocol](#) so far. For more information about working with advice agencies see the Money Advice Service's [toolkit](#).

*All research findings taken from Stop The Knock 2017: Mapping local authority debt collection practices in England and Wales. For more information see [www.stoptheknock.org](http://www.stoptheknock.org)*

November 2017