

MONEY
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BUSINESS
DEBTLINE

NATIONAL
DEBTLINE

WISER
ADVISER

ADVICE YOU CAN TRUST



Local authorities and enforcement action

September 2015

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About Money Advice Trust

The Money Advice Trust is a national charity helping people across the UK to tackle their debts and manage their money wisely.

The Trust runs National Debtline, offering free, independent and confidential advice on personal debt over the phone and online, and Business Debtline, the UK's only free debt advice service for the self-employed and small business owners.

Through these practical self-help advice services and our Wiseradviser training programme for debt and money advisers, last year we helped more than 1.2 million people.

Beyond our frontline activity, we work closely with government, creditors and partners to improve the UK's money and debt environment.

Foreword

Two years ago our research on bailiff use led to widespread calls for councils to improve their debt collection practices. We had hoped the situation would have improved since then, and it has for some. However, more than half of councils are using bailiffs even more than before to collect unpaid debts.

It concerns us that for many people their local council is the organisation that will be the most aggressive in chasing them if they fall into financial difficulty. This will come as a surprise to many, but comes as no shock to those on the front line of debt advice who help people deal with these problems every day. We know that sending the bailiffs in can deepen debt problems, rather than solve them – and it can also have a severe impact on the wellbeing of people who are often already in a vulnerable situation.

Bailiff action is not only harmful to those in arrears – it is also a poor deal for the council taxpayer. Our research shows that those local authorities that use bailiffs the most are actually less successful, on average, at collecting council tax arrears. This is a lose-lose situation.

Local authorities are facing significant funding pressures – and they of course have a duty to collect what they are owed. In the case of council tax, this is particularly crucial in ensuring proper funding for the local services we all rely on. However, efficient debt collection and sending the bailiffs in are not one and the same. Early detection of financial difficulty, a measure of forbearance in helping residents to repay what they owe and signposting to free debt advice can ensure that council tax is collected in a more sustainable, less harmful way.

I would like to congratulate the 132 councils we found to have reduced their reliance on bailiffs in the last two years. While there is much more work to do, their efforts to collect outstanding council tax and other debts without resorting to bailiffs shows that this can be done.

Our message to all councils is clear – bailiffs should only be used as an absolutely last resort, and the earlier you can signpost residents and business owners to free sources of advice such as National Debtline and Business Debtline the better.



Joanna Elson, OBE, CDir
Chief Executive, Money Advice Trust

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Executive summary

Local councils in England and Wales instructed bailiffs to collect debts on 2.1 million occasions last year. The figure shows overall bailiff use by local authorities has risen 16 percent in the last two years, despite wide variations across different councils and repeated calls from the debt advice sector, housing charities and others for debt collection practices to improve.

The findings are based on Freedom of Information requests to all 375 local authorities in England and Wales, and show the readiness with which councils instruct private bailiffs to collect unpaid debts – despite the serious negative impact this can have on individuals and businesses in financial difficulty. Councils that use bailiffs the most were also found to have had less success, on average, in collecting council tax arrears.

Bailiff use up by 16 percent

- Council tax debts were passed to bailiffs, now legally known as ‘enforcement agents’, on 1.27 million occasions during 2014/15. Parking-related debts were passed to bailiffs 714,670 times and Housing Benefit overpayments on 39,516 occasions. In addition, private bailiffs were instructed to collect unpaid business rates 85,073 times and commercial rents on 2,697 occasions – as well as 31,798 sundry/other debts owed by individuals and businesses.
- The total of 2.14 million bailiff referrals for 2014/15 is 16 percent higher than the 1.84 million figure in 2013.
- Council Tax arrears, which account for the majority of bailiff use by local authorities, is one of the fastest growing debt types that National Debtline helps people to resolve – with 24 percent of callers in arrears in 2014, up from just 14 percent in 2007.

Wide variations across the country

- There is a persistent postcode lottery in the treatment of residents and businesses who fall behind, with bailiff use varying from the equivalent of more than a third of properties in some areas to less than one in 100 in others.
- London boroughs feature strongly in the top 10 heaviest users of bailiffs.
- At the other end of the scale, 19 ‘lower-tier’ local authorities (which are responsible for collecting council tax) reported bailiff use equivalent to fewer than one percent of properties in their areas. Only three were found to have used no bailiffs at all during 2014/15.

Debt collection practices diverging

- There are wide variations in the way that councils have responded to calls to improve their debt collection practices in recent years. Of the 292 authorities where direct comparisons can be made, more than half (54 percent) increased their use of bailiffs in the last two years, while 45 percent used bailiffs on fewer occasions.
- Across the 159 councils that increased their reliance on bailiffs, the overall number of referrals rose by 52 percent. Conversely, bailiffs were instructed on 29 percent fewer overall occasions by the 132 authorities who reduced their use in the last two years.

Recommendations

We have a number of recommendations to make for both local authorities and government in the light of our findings. These can be found in the Recommendations section of the report.

STOP



THE KNOCK

#STOPTHEKNOCK

DID YOU KNOW?

LOCAL AUTHORITIES

IN ENGLAND AND WALES PASSED

2,141,957

DEBTS TO BAILIFFS IN 2014/15

FOR DEBTS INCLUDING...



COUNCIL TAX

1,268,203



PARKING

714,670



BUSINESS RATES

85,073

THAT'S EQUIVALENT TO...



6 BAILIFF REFERRALS
EVERY MINUTE



2 BAILIFF REFERRALS FOR
EVERY STEP YOU TAKE

*NHS AVERAGE ADULT

THE NUMBER IS INCREASING

2012

1,841,927

2014/15

2,141,957

THERE'S SOMETHING SERIOUSLY

WRONG HERE

FOR LOCAL STATS AND THE FULL REPORT VISIT

STOPTHEKNOCK.ORG

BREAKING DOWN THE STATS

THE HEAVIEST USERS OF BAILIFFS WERE...

BY % OF PROPERTIES*

1. BARKING & DAGENHAM	43%
2. HART	39%
3. WESTMINSTER	33%
4. HYNDBURN	30%
5. HAMMERSMITH & FULHAM	27%

BY TOTAL REFERRALS

1. BIRMINGHAM	82,512
2. WESTMINSTER	53,002
3. MANCHESTER	39,628
4. LIVERPOOL	38,878
5. BRISTOL	35,247

BUT THESE COUNCILS ARE LEADING THE WAY...

BIGGEST % DECREASES

1. WYRE	-100%
2. CHARNWOOD	-100%
3. GATESHEAD	-100%
4. GOSPORT	-100%
5. EXETER	-98%

AND CHARNWOOD,
ISLES OF SCILLY AND
WYRE COUNCILS
DID NOT USE
BAILIFFS AT ALL

* % FIGURES ARE EQUIVALENTS ONLY

GOOD TO KNOW

In most cases, you do not have to let a bailiff into your home if they have not been in before.

They shouldn't force their way past you and if all doors are locked most bailiffs can't enter unless they're allowed in.

Debt collectors are not the same as bailiffs!

Unlike bailiffs, debt collection agencies cannot take your goods, so it's important to know who you are dealing with.

Bailiffs are not allowed to take anything they want.

Bailiffs should not take children's belongings or things you need for basic living, such as clothing, bedding and essential household equipment and furniture.

Bailiffs should not call in the middle of the night.

Apart from a very small number of exceptions, bailiffs can only visit your home between 6am and 9pm.

Notice of a bailiff visit does not mean you are powerless.

Even after you have received a notice of enforcement, you still have seven clear days to stop the bailiff from taking control of your goods. The best thing to do is seek free advice from National Debtline as soon as possible.

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HELPING PEOPLE ACROSS THE UK TO
TACKLE THEIR DEBTS AND MANAGE
THEIR MONEY WISELY

Local authorities and enforcement action

Use of bailiffs by local authorities

Local authorities are responsible for the collection of a range of different types of debt. These include council tax, parking penalty charges, Housing Benefit overpayments, business rates and commercial rent as well as other sundry debts.

If a debt is not repaid, local authorities have a number of options available to enable them to collect the money owed. These vary by type of debt but range from making deductions from wages to instructing bailiffs.

A bailiff, now legally known as an 'enforcement agent'¹, is someone authorised to collect a debt on behalf of a creditor, in this case, the local authority. A range of individuals can take on the role of bailiff and their offices and duties may vary. However all bailiffs except High Court enforcement officers, county court bailiffs and HMRC employees must have a certificate issued by the County Court.² Their role in debt collection is to visit the person in debt, negotiate repayment arrangements and identify goods that they may take and sell to raise money to pay towards the amount owed. This process is known as 'taking control of goods'.

Bailiffs may use this process to recover many types of debt. While the law relating to taking control of goods is complex, and the rights and procedures can sometimes differ depending on the debt owed, the process is generally as follows:

- 1) A court grants an order to the local authority which allows a bailiff to take action.
- 2) The bailiff should contact the person in debt in writing (a 'notice of enforcement') to try to get payment of the debt in full or by instalments. This is the individual's official notification that the bailiff action has begun.
- 3) If this is unsuccessful, the bailiff will visit intending to take control of goods to sell in order to pay the debt and associated costs.³

At each stage the bailiff can charge the costs and fees which legislation allows.

The following table outlines how local authorities use bailiffs with regards to recovering the following debts:

- council tax arrears
- parking penalty charges
- Housing Benefit overpayments
- business rates and commercial rent

¹ The terms bailiff and enforcement agent will be used interchangeably in this report.

² High Court Enforcement Officers, county court bailiffs and HMRC employees are exempt from the certification requirements. Council tax bailiffs (except civil servants) must be 'certificated'. The certification process involves providing references and paying a bond of £10,000 to the County Court. This bond covers costs associated with complaints made to the court against the bailiff.

³ Local Government Ombudsman, (2013), Taking Possession: Councils use of bailiffs for local debt collection.

Using bailiffs for specific types of debt	
Council tax arrears	<p>If someone falls behind with council tax payments, the local authority may apply to the magistrates' court to make a '<i>liability order</i>'. This is a court order that states that they owe council tax but have not paid it. The local authority will also add on any court costs they have had to pay.</p> <p>If the person owing the debt does not pay the amount stated on the order, the local authority can take enforcement action, which could include:</p> <ul style="list-style-type: none"> • using bailiffs to try and take goods; • making deductions from earnings; • making deductions from benefits; • charging orders (where the debt is secured on a property owned by <ul style="list-style-type: none"> ◦ the person in debt); • bankruptcy; and • imprisonment. <p>More than one type of enforcement action can be used at the same time by the council. Most local authorities prefer to use bailiffs or deductions from earnings to try and recover unpaid council tax. The person owing the debt can make an offer of payment to the council at any time before they use enforcement action. This could stop the action from happening.</p> <p>If the local authority uses bailiffs and the person owing the debt still hasn't paid their council tax in full, the local authority may apply to the magistrates' court for an order for them to be sent to prison.</p>
Parking penalties	<p>Local authorities typically have their own traffic wardens (called civil enforcement officers) who issue penalty charge notices, for example, for parking on double yellow lines, in a permit only zone, on zigzag lines or in parking meter zones.</p> <p>Most local authorities have the power to enforce these parking penalties under the Traffic Management Act 2004. These parking penalties are not treated as criminal offences. They are often known as a 'parking penalty charge' or a 'penalty charge notice' (PCN). A PCN is enforced through the county court and private bailiffs.</p> <p>The local authority applies for a court order through the Traffic Enforcement Centre at Northampton County Court. This order authorises the local authority to instruct private bailiffs to collect the charge. 21 days after the court order is issued, the local authority can issue a warrant to the bailiffs which allows the bailiffs to act.</p> <p>Unlike the usual county court process it is not possible to ask the court to suspend the warrant or to make an order to allow the charge to be paid in affordable installments. It is not easy to negotiate directly with the local authority to avoid bailiffs being instructed.</p>

	The enforcement of PCNs relies heavily on the use of private bailiffs. There is no power to send anyone to prison for not paying a parking penalty.
Housing benefit overpayment	<p>Housing Benefit overpayments are recoverable by a variety of methods such as deductions from future payments of Housing Benefit, deductions from other benefits, via an adjustment to the tenant's rent account or by way of a direct earnings attachment.</p> <p>Where none of these recovery methods are practical it is possible for a local authority to obtain a court order in the County Court which allows them to take enforcement action. This can include applying for a warrant of control to authorize private bailiffs to act. If the debt is more than £600, the debt may be transferred to the High Court for enforcement by High Court Enforcement Officers, although this rarely happens in practice.</p>
Business rates	<p>If a business misses a business rate payment, the local authority will send them a reminder notice. This will give them seven days to pay their late payment. If they do not do this, or if they fail to pay after a second reminder, they will lose your right to pay in installments. They will then be asked to pay your bill for the remainder of the business rates year. If they still do not pay, the council may take further action.</p> <p>If a business falls behind with business rate payments, the local authority may apply to the magistrates' court to make a '<i>liability order</i>'. This is a court order which confirms that the business owes business rates and has not paid them. The liability order will be for the total amount owed plus any court costs the local authority has to pay.</p> <p>Once the magistrates' court grants a liability order, the council may use bailiffs to try and recover the debt. They can attend a business premises or a home. Bailiffs can only call between the hours of 6am and 9pm except where the businesses normal trading hours are outside this period (eg pubs and restaurants), and must provide the business with full written details of the liability.</p> <p>If the local authority uses bailiffs and the business still hasn't paid their council tax in full, the local authority may apply to the magistrates' court for an order for them to be sent to prison. They should only do this as a last resort. To send a business owner to prison the court would have to be satisfied that they are guilty of:</p> <ul style="list-style-type: none"> • willful refusal (they have deliberately refused to pay); or • culpable neglect (they could afford to pay but did not).

Table 1: When do local authorities use bailiffs?

A bailiff may be directly employed by a council or work for a private enforcement firm which the council has contracted to provide services for debt recovery. The traditional approach has been for local authorities to use external bailiffs and the courts. However, recently some local authorities have started to look at taking some or all of their enforcement services in-house.⁴ This trend offers opportunities for local authorities to take a more holistic approach to debt management and debt collection, particularly for vulnerable people. However it also raises questions around fees, whether the more difficult cases would be passed on to external enforcement and whether in-house enforcement could lead to incentives for local authorities to be less open to putting early intervention strategies in place as this could lead to loss of liability order fee revenue and compliance fee revenue.

At the same time, there have been developments within the private enforcement industry where companies have seen consolidation into smaller groupings and smaller companies have become part of larger companies. As an example Marston Holdings recently acquired Collectica⁵ along with other firms and have now acquired Scott & Co⁶ who operate in Scotland. Marstons now have over 2000 staff and works across 265 local authorities in the UK. They report that they collect over £1 billion a year on behalf of their clients.

Recent reform of bailiff law

Common law on bailiffs has existed in different forms for several centuries, interpreted and modified by case law as time has gone by. This resulted in a complex jigsaw of statutes and case law governing bailiffs' and debtors' rights. However, from 6 April 2014, schedule 12 of the Tribunal Courts and Enforcement Act 2007, along with supporting regulations, thoroughly revised bailiff law. The new provisions introduced fundamental changes to the way bailiffs operate and the fees they charge. The key changes brought about in the reforms were as follows.

- Introduction of rules about when a bailiff can enter a property and what goods they should not take.
- A new fee structure clearly setting out what a debtor can be charged at each stage of enforcement action.
- Mandatory training and qualification to ensure bailiffs have the skills required to perform a difficult role.
- A new certification process for most types of bailiffs⁷ to ensure that they are the right people for the job.

Ultimately the new provisions sought to introduce a clearer and more prescriptive process for taking control of goods and to ensure that debtors are protected from aggressive bailiff action.

⁴ http://www.thenorthernecho.co.uk/news/local/teesvalley/redcar/11746624.Council_tax_debt_collecting_service_could_be_brought_in_house/

⁵ <http://www.marstongroup.co.uk/funding/cma-clears-marston-acquisition-funds-managed-rothschild-commit-63m-triple-award-nomination/>

⁶ <http://www.marstongroup.co.uk/announcements/scott-co-joins-marston-holdings/>

⁷ High Court Enforcement Officers, county court bailiffs and HMRC employees are exempt from the certification requirements. Council tax bailiffs must (except civil servants) must be 'certificated'. The certification process involves providing references and the bailiffs paying a bond of £10,000 to the County Court. This bond covers costs associated with complaints made to the court against the bailiff."

The Ministry of Justice are in the process of reviewing these changes one year after implementation to check the reforms are operating broadly as intended and assess whether there have been any major unintended consequences. We expect the outcome of this review in late 2015 or early 2016. Preliminary input to the review from debt advisers across the advice sector has highlighted that the following concerns continue:

- i. Not accepting offers of payment
- ii. Using threatening behaviour
- iii. Not applying fees appropriately or proportionately
- iv. Seizing goods inappropriately
- v. Failure to adhere to the correct rights of entry
- vi. Failure to treat vulnerable clients appropriately⁸

In addition to the legal framework, there is a range of non-binding guidance available for both local authorities and bailiffs to have regard to when taking enforcement action.

The Department for Communities and Local Government published guidance for local authorities called *Guidance to local councils on good practice in the collection of Council Tax arrears*⁹. This guidance sets out how local authorities should behave in procuring enforcement services, setting out collection standards, working with debt advisers, dealing with vulnerable clients, complaints and so on. Citizens Advice and the Local Government Association have also agreed a *council tax arrears-good practice protocol*¹⁰ that sets out good practice in council tax arrears by local authorities.

Bailiffs themselves are expected to follow the *National Standards for Enforcement Agents* (NSEA), which sets out minimum standards for the way bailiffs should behave when taking control of goods. There is a section on how complaints should be handled and on how clients in vulnerable situations should be treated. This national guidance does not replace local agreements, existing agency codes of practice or legislation; rather it sets out what the Ministry of Justice, those in the industry and some major users regard as minimum standards. There are no sanctions if the NSEA guidelines are not followed.

If an individual feels that they have cause to complain, they can do so to the bailiff or the local authority that instructed them. If they are unsatisfied with the local authority's response, they can escalate their complaint to the Local Government Ombudsman. With certificated bailiffs, complaints can be addressed to the court that issued the certificate. The courts also have the power to cancel or suspend a bailiff's certificate.

Trends in bailiff use

There are clear obligations on local authorities under the Department of Communities and Local Government guidance to resolve cases before enforcement action is taken. Under section 3.5 of the guidance it states as follows.

“A local authority should take all reasonable steps to exhaust other options available to them prior to obtaining a liability order. Once a liability order has been granted a

⁸ Advice sector survey, *Has enforcement agent behaviour changed since April 2014?*

⁹ <https://www.gov.uk/government/publications/council-tax>

¹⁰ https://www.citizensadvice.org.uk/about-us/campaigns/current_campaigns/recent-campaigns/council-tax-arrears-good-practice-protocol/

local authority should explore other enforcement options which are available to them, such as direct deductions from benefit or an attachment of earnings order.”

Despite this, in recent years, we have witnessed a growing use of bailiffs by many local authorities. As our report shows, in 2014, local authorities instructed bailiffs on more than 2.1 million occasions. There are a number of possible explanations for the high levels of use:

- 1) Financial pressure on local authorities:** The scale of cuts to the public sector has led many councils to review their activities, placing an increased focus on charges, fees and revenue generating activities.¹¹ As part of this, many are adopting a more robust approach to debt management and collection. An unintended consequence of this may be increased use of enforcement action by councils.
- 2) A drive across the public sector to improve debt management:** There has been a significant focus across central government on improving debt management and debt collection practices. In 2014 the Public Accounts Committee reported that £22bn in debt was owed to central government.¹² Since then government has launched a new joint venture to support debt recovery for central government and its agencies.¹³ The focus on the need for improved debt management in public sector will have filtered down to local authorities.

Consumer organisations, such as the Trust, have also increasingly expressed concerns about the actions of bailiffs, including the level of charges they make and their behaviour towards vulnerable people. There have also been frequent complaints about bailiff action to the Local Government Ombudsman. In 2013, the Local Government Ombudsman reported finding fault in a higher proportion of complaints involving bailiff action than in other complaints about local taxation or parking enforcement. In 2010/11, 23 per cent of local taxation complaints resulted in the Ombudsman proposing a remedy for the injustice caused, while for those involving bailiffs, 31 per cent required this action. They were also issuing more formal reports about bailiff action (three in 2011/12, compared with none in the previous two years) where problems in individual cases were particularly serious.¹⁴

Our research findings, which follow, shows that bailiff action by local authorities is not only stressful to those in arrears – it is also a poor deal for the council taxpayer. Those local authorities that use bailiffs the most are actually less successful, on average, at collecting council tax arrears.

¹¹ Local Government Association, (2013), *Under pressure: How councils are planning for future cuts?*

¹² <http://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/news/debt-owed-government-substantive/>

¹³ <https://www.gov.uk/government/news/government-targets-billions-of-pounds-of-uncollected-debt>

¹⁴ Local Government Ombudsman, (2013), *Taking Possession: Councils use of bailiffs for local debt collection.*

Bailiff use: our findings

Our Stop The Knock 2015 research aimed to establish the extent of bailiff use by local authorities in England and Wales in the 2014/15 financial year, and what if any change had occurred in debt collection practices since our original research published in August 2013.

To do this, we issued Freedom of Information requests to all 375 local authorities in England and Wales, 356 of which responded to the request within the research period.

Methodology

Freedom of Information requests were issued to all 375 local authorities in England and Wales in June and July 2015. 356 authorities (95 percent) responded to the request while the remaining 19 authorities did not respond within the research period, which in all cases was longer than the statutory timeframe of 20 working days laid down in the Freedom of Information Act.

329 of the councils that answered the request were lower-tier authorities (District, Metropolitan Borough, London Borough and Unitary councils which are responsible for Council Tax collection), while 27 were upper tier authorities (County Councils) that primarily only collect parking-related debts.

Figures from the original Stop The Knock research conducted in 2013 related to the 2012 calendar year, while our new research relates to the 2014/15 financial year. The overall totals calculated and overall comparisons made between 2012 and 2014/15 relate to bailiff use by both lower-tier authorities that have responsibility for collecting council tax (District, Metropolitan Borough, London Borough and Unitary councils) and upper tier authorities (County Councils) that primarily use bailiffs for parking-related debts.

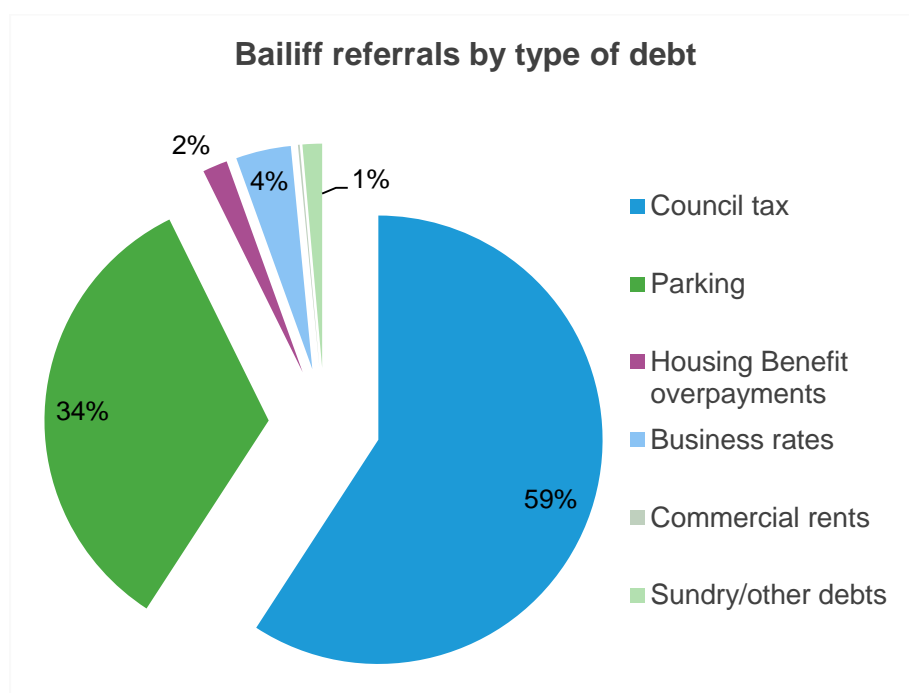
All individual comparisons over time refer to the 292 lower-tier authorities which responded to our research in both 2013 and 2015 and where valid comparisons between 2012 and 2014/15 can be made. All rankings/league tables of authorities calculated relate to the 329 lower-tier authorities that responded in 2015 only. We apply bailiff use as a proportion of total properties in the authority, to ensure meaningful comparison.

In some cases local authorities volunteered figures relating to Debt Collection Agents – particular in reporting against housing benefit overpayments and sundry/other debts. These were not included as the research covers bailiffs only.

Overall findings

The results show that local authorities instructed bailiffs on 2.14 million occasions in 2014/15. The figure is 16 percent higher than the 1.84 million total revealed by our original Stop The Knock research in 2013, despite repeated calls for councils to improve their debt collection practices in the intervening period.

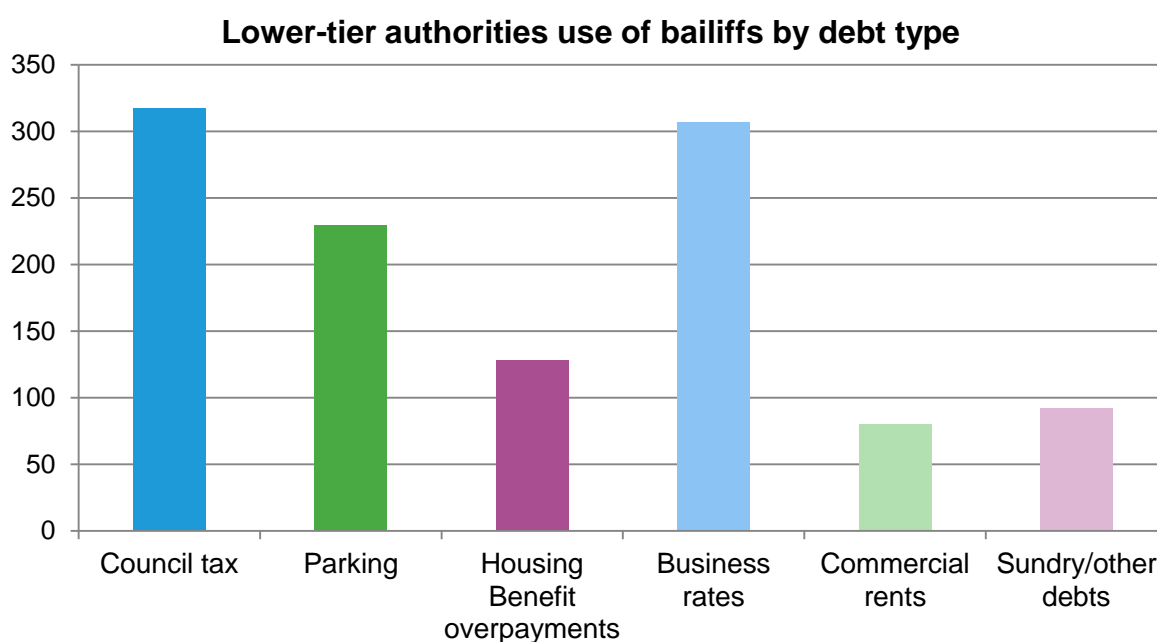
Unsurprisingly, Council Tax arrears accounted for a majority of bailiff instructions in the year, at 1,268,203 occasions in 2014/15. This was followed by parking debts (714,670), housing business rates (85,073), housing benefit overpayments (39,516) and commercial rents (2,697). Sundry/other debts led to 31,798 bailiff instructions in the year to both individuals and businesses.



The use of bailiffs to collect different debt types varies significantly across lower-tier local authorities, with 321 out of 329 using bailiffs for collecting council tax arrears, but only 233 for parking-related debts and 130 for housing benefit overpayments.

For business debts, 310 out of 329 lower-tier authorities used bailiffs for business rates during the year, and 80 instructed bailiffs to collect unpaid commercial rents.

93 lower-tier authorities collected passed sundry/miscellaneous debts to bailiffs.



Variations across England and Wales

The results reveal a persistent postcode lottery in the treatment of individuals and businesses in arrears to local authorities, with bailiff use varying from the equivalent of more than a third of properties in some areas to less than 1 in 100 in others.

As in our 2013 research, Birmingham City Council was found to be the biggest user of bailiffs in 2014/15, referring a roughly unchanged 82,512 debts to bailiffs in the year, equivalent to 17 percent of all properties. Birmingham is joined by Westminster (53,002 referrals), Manchester (39,628 referrals), Liverpool (38,878) and Bristol (35,247) City Councils at the top of the bailiff use league table.

Top 10 authorities for bailiff use 2014/15 (not relative to size)

Local authority	Bailiff referrals 2014-15	Bailiff referrals as a % of total properties
Birmingham City Council	82512	17.22
Westminster City Council	53002	33.31
Manchester City Council	39628	16.02
Liverpool City Council	38878	16.42
Bristol City Council	35247	16.76
London Borough of Barking & Dagenham	34041	43.47
London Borough of Croydon	33850	20.45
London Borough of Tower Hamlets	31710	23.45
London Borough of Camden	29000	23.54
London Borough of Haringey	28478	25.12

Table 2: Top 10 authorities for bailiff use 2014/15 (not relative to size)

Due to the large variations in local authority size, however, a more meaningful measure takes into account bailiff referrals as a percentage of properties in the area.

The London Borough of Barking & Dagenham was the heaviest user of bailiffs when comparing authorities with respect to their size, with its 34,041 bailiff referrals in 2014/15 equivalent to 43 percent of all properties. London boroughs feature strongly in the top 10, with Hart District Council and Hyndburn Borough Council the highest ranked non-London councils in second and fourth place at 39 percent (15,605 referrals) and 30 percent (12,125 referrals) respectively.

Top 10 authorities for bailiff use 2014/15 – relative to size

Local authority	Bailiff referrals 2014-15	Bailiff referrals as a % of total properties
London Borough of Barking & Dagenham	34041	43.47
Hart District Council	15605	39.26
Westminster City Council	53002	33.31
Hyndburn Borough Council	12125	30.42
London Borough of Hammersmith & Fulham	25066	26.57
London Borough of Haringey	28478	25.12
London Borough of Harrow	23047	24.18
London Borough of Camden	29000	23.54
London Borough of Tower Hamlets	31710	23.45
London Borough of Hackney	27551	23.20

Table 3: Top 10 authorities for bailiff use 2014/15 – relative to size

At the other end of the scale, a total of 19 reported bailiff use equivalent to less than one percent of properties in their area. Three – Charnwood Borough Council, Wyre Borough Council and Isles of Scilly Council – used no bailiffs at all during 2014/15 (in the case of Charnwood and Wyre, this was despite significant bailiff use reported two years ago).

Bottom 10 authorities for bailiff use 2014/15 – relative to size

Local authority	Bailiff referrals 2014-15	Bailiff referrals as a % of total properties
Wyre Borough Council	0	0.00
Isles of Scilly Council	0	0.00
Charnwood Borough Council	0	0.00
Gateshead Metropolitan Borough Council	4	0.00
Gosport Borough Council	16	0.04
Exeter City Council	33	0.06
North Tyneside Council	82	0.08
Wealden District Council	72	0.10
North Dorset District Council	39	0.12
Castle Point District Council	94	0.23

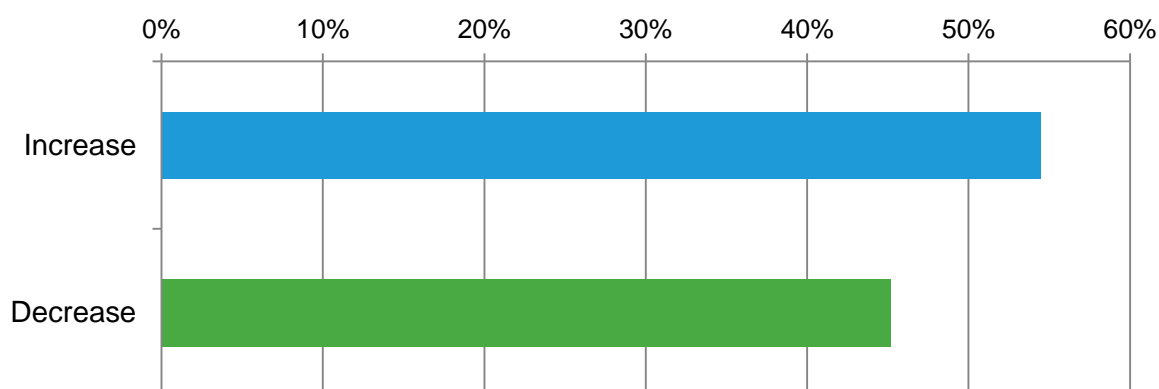
Table 4: Bottom 10 authorities for bailiff use 2014/15 – relative to size

Change in bailiff use over time

Comparison with our Stop The Knock findings two years ago shows a wide variation in the way in which councils have responded to calls to improve their debt collection practices, made by the Money Advice Trust and other charities in recent years.

Of the 348 lower-tier local authorities that are responsible for collecting council tax, Stop The Knock research in 2013 (relating to the 2012 calendar year) and 2015 (relating to the 2014/15 financial year) provides comparable data for 292. Of these comparable authorities, 159 councils (54 percent) increased their use of bailiffs, 132 (45 percent) used bailiffs on fewer occasions and one council was unchanged.

Change in local authority bailiff referrals between 2012 and 2014/15

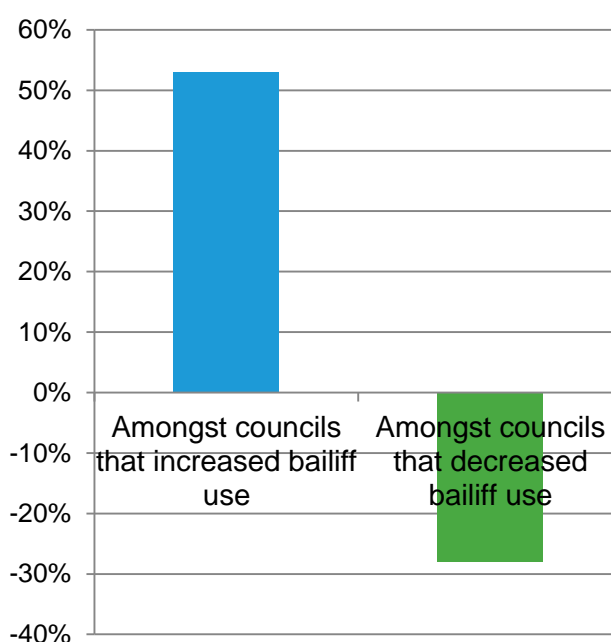


The divergence in debt collection practice can also be seen in looking at changes in the number of bailiff referrals amongst these two groups of councils separately.

Overall, across the 159 councils that increased their reliance on bailiffs, the number of bailiff referrals rose by 52 percent.

These councils' use of councils has increased at a faster rate than the decrease amongst the opposite group – with bailiffs used on 29 percent fewer overall occasions by the 132 authorities who reduced their reliance on this debt collection method in the intervening years.

Change in bailiff referrals 2012 to 2014/15



The largest increase in bailiff use in percentage terms was Mid Devon District Council, which reported just 37 debts passed to bailiffs in 2012, but used bailiffs on 2,560 occasions in 2014/15 – a 69-fold increase. Mid Devon was followed by Richmondshire Council (a 22-fold rise) and Hart District Council (an 11-fold rise that placed it as the second highest user of bailiffs relative to its size) as the top three increases in England and Wales.

Top 10 increases in local authority bailiff use 2012 to 2014/15

Local authority	Bailiff referrals 2012	Bailiff referrals 2014/15	% increase in bailiff referrals
Mid Devon District Council	37	2560	6819
Richmondshire Council	32	705	2103
Hart District Council	1294	15605	1106
Melton Borough Council	142	1092	669
Epsom & Ewell Borough Council	222	1598	620
Wigan Metropolitan Borough Council	3546	20822	487
West Lancashire District Council	1075	4362	306
Wolverhampton City Council	3115	11327	264
Chiltern District Council	365	1314	260
Maidstone Borough Council	2179	7616	250

Table 5: Top 10 increases in local authority bailiff use 2012 to 2014/15

At the opposite end of the spectrum, 28 authorities reduced their use of bailiffs by more than half between 2012 and 2014/15, with four – Gosport Borough Council, Gateshead Metropolitan Borough Council, Wyre Borough Council and Charnwood Borough Council reducing their bailiff use from a significant number of referrals in 2012 to none or next to none in 2014/15.

Top 10 decreases in local authority bailiff use 2012 to 2014/15

Local authority	Bailiff referrals 2012	Bailiff referrals 2014/15	% decrease in bailiff referrals
Wyre Borough Council	2763	0	100
Charnwood Borough Council	2612	0	100
Gateshead Met. Borough Council	5061	4	100
Gosport Borough Council	4527	16	100
Exeter City Council	1997	33	98
North Dorset District Council	1593	39	98
North Tyneside Council	697	82	88
Castle Point District Council	1638	94	94
Redcar and Cleveland Council	6635	317	95
Havant District Council	3714	412	89

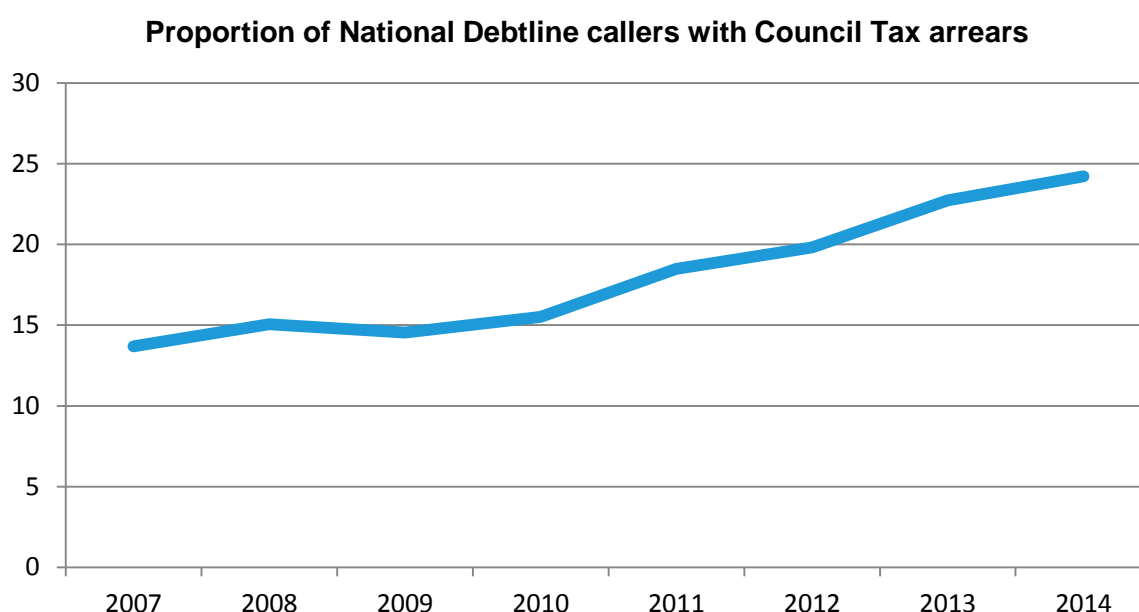
Table 6: Top 10 decreases in local authority bailiff use 2012 to 2014/15

Council tax

Council tax arrears accounted for 59 percent of the debts that local authorities passed to bailiffs in 2014/15, with 1.27 million referrals during the year. These referrals were made by 321 out of the 329 lower-tier authorities that responded to our FOI request.

The extent of bailiff use to collect council tax arrears varied from as little as fewer than 10 councils at Pembrokeshire and Gosport Borough Council, to as many as 47,346 at Birmingham City Council.

Council tax is one of the fastest growing debt types that National Debtline helps people to resolve – with 24 percent of callers having council tax arrears in 2014, up from just 14 percent in 2007. This is part of a wider trend in the UK debt advice landscape away from debt problems caused by traditional credit products, towards households increasingly falling behind with everyday household bills.



Why council tax debts are growing so quickly?

- **Changing household budgets:** The combination of low wage growth and inflation since 2007 has placed a squeeze on many household budgets. Council tax bills have faced greater competition from other expenditure categories within household income. As more and more of a single budget is taken up by the cost of food, transport, energy, water, and other bills, less remains for the payment of council tax. This is reflected in the trends we're seeing at National Debtline. More callers now are in serious debt difficulty as a result of smaller debts on essential household bills like energy, water, telephone and council tax. When there is little room in a household budget to meet basic expenses, council tax can be one of the costs that it is difficult to meet. Although punishment for non-payment of council tax can be sufficiently severe to warrant this bill being a top priority for payment, many households do not prioritise council tax bills ahead of other household bills and so, when faced with squeezed budgets, arrears can quickly build up.

- **Changes to council tax benefit:** Council tax benefit (CTB) was abolished from 1 April 2013 and replaced by local authority schemes called Council Tax Reduction schemes (sometimes known as Council Tax Support).¹ Local authorities are now responsible for running their own schemes which vary throughout England. There has been a reduction in financial support from central government and total funding for the schemes have been cut by 10 per cent. This means that when setting up the schemes many local authorities have chosen to require working-age people on benefit-level incomes to contribute a percentage of the yearly council tax bill. In practice this means that many people who were previously getting full Council Tax Benefit before April 2013 are now required to make payments for the first time, without any increase in income to allow them to do so. One report suggests that nearly 4 in 10 Londoners affected by the replacement of Council Tax Benefit by local schemes have been unable to meet these payments and have received a court summons.¹ There is also some evidence that the increased minimum payments applied in some areas are resulting in higher arrears and lower collection.
- **Mechanisms for repayment:** The issues outlined above are exacerbated by the fact that local authorities often require full repayment of the arrears within the 12 month billing period. This is often unrealistic for households where large arrears have been built up and differs markedly from other creditors who are more likely to accept sustainable repayment arrangements over longer periods of time.

Over the coming years, council tax arrears are likely to become an even more prominent part of the debt landscape as many households face bills for the first time and even more face an increase in council tax costs due to cuts in related welfare support.

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Parking penalty charges

After council tax, parking-related debts were the second most reported debt type passed to bailiffs, with 714,670 referrals in 2014/15. This figure includes 32,929 referrals made by upper-tier authorities. In total 244 authorities (both lower and upper tier) used bailiffs to collect parking-related debts.

¹⁵ Additional information on this box include: Local authorities are required to take into account the needs of vulnerable people when setting up their scheme. Each scheme must follow certain rules and protections for those over pension age in particular. There is still a national scheme in Scotland and in Wales, the Welsh Assembly has continued to provide funding to enable local authorities to continue to provide the same level of support as under the council tax benefit scheme.

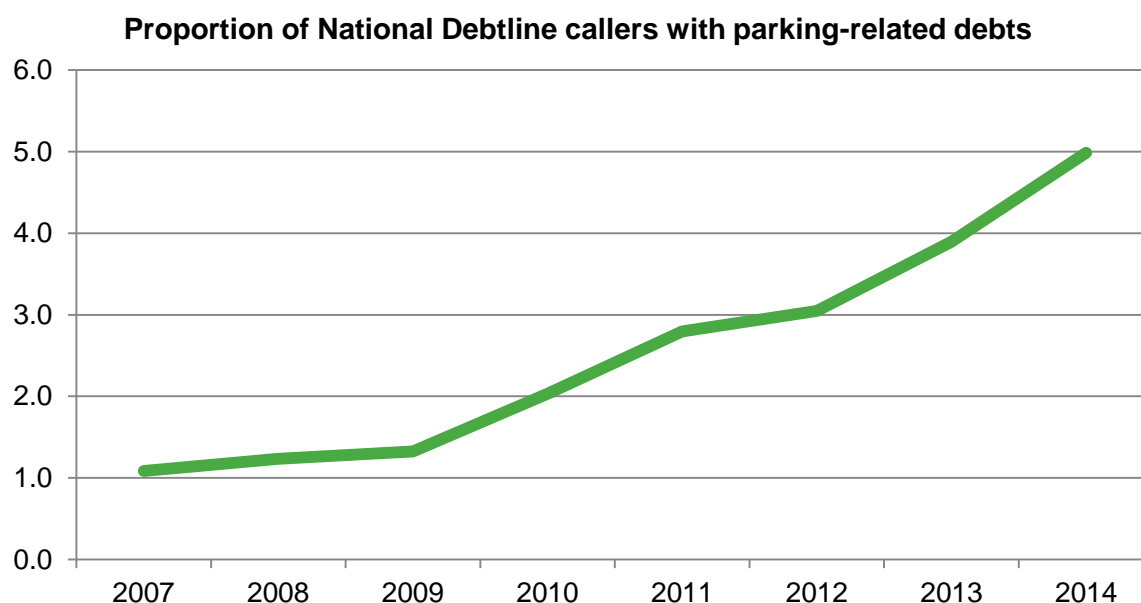
References are sourced from:

¹⁵ CPAG and The Zacchaeus 2000 Trust (Z2K) published their report 'A new poll tax?' in 2014. This report also found that court costs had added £10 million to the amount owed and nearly 16,000 cases have been referred to bailiffs

¹⁵ <http://www.jrf.org.uk/publications/council-tax-best-practice>

Amongst lower-tier authorities, bailiff referrals for parking debts ranged from as few as the 6 made by Torridge District Council to Westminster City Council's total of 33,761. Amongst upper-tier County Councils with responsibility for parking, 14 reported an average of 2,537 parking debt referrals each, ranging from a handful to the 6,887 referrals made by Lancashire County Council.

National Debtline has seen a five-fold increase in parking-related debts since 2007, when it accounted for just 1.1 percent of all calls. In 2014, 1 in 20 callers had parking-related debts, and this debt type is expected to continue to grow.



Housing benefit overpayments

A total of 39,516 housing benefit overpayment debts were passed to bailiffs by 130 lower-tier local authorities in 2014/15. The remaining 199 did not use bailiffs to collect housing benefit overpayments – however several volunteered that they instead used debt collection agencies for this debt type (these figures are not included in this research).

National Debtline does not record Housing Benefit overpayments as a distinct debt type from any other benefit. Overall benefit overpayments have, however, increasingly been identified by callers to National Debtline as a cause of their debt problem in recent years.

Business rates and commercial rents

Business rate debts were passed to bailiffs on 85,073 occasions in 2014/15. 310 local authorities used bailiffs for this purpose. Birmingham City Council made the most referrals of business rate debts at 5,482 in the year, followed by Manchester, Westminster and Liverpool City Councils who all made more than 2,000 referrals.

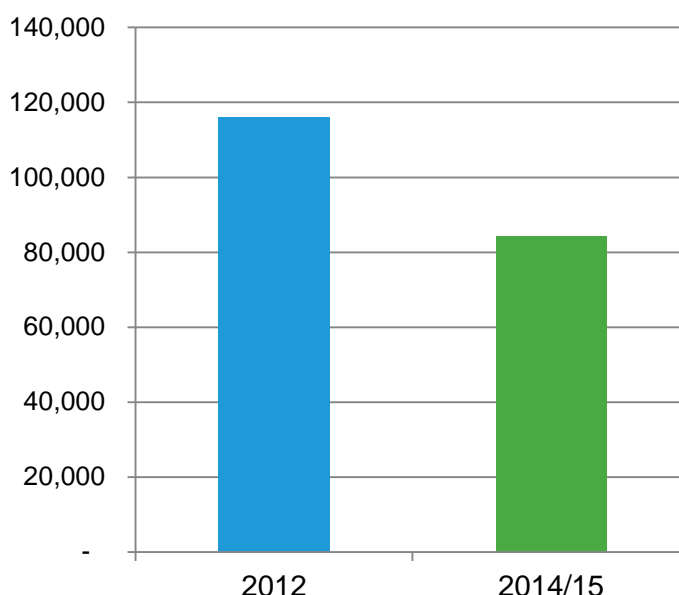
Our research also looked at commercial rents, which accounted for just 2,697 referrals in 2014/15, by a total of 80 lower-tier authorities. The number of debts referred varied significantly between authorities, from just 1 debt in the case of Corby Borough Council to Ipswich Borough Council's total of 586 debts.

Taken together, these figures represent a 24 percent fall on two years ago, when councils reported 115,929 bailiff referrals for debts owed by businesses during the 2012 calendar year.

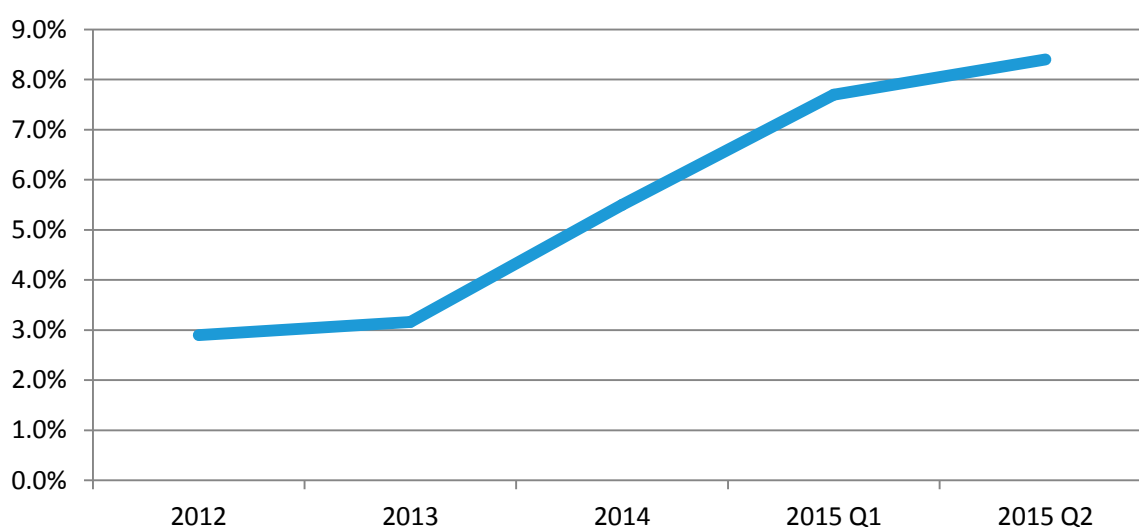
70 percent of the 290 authorities where a direct comparison be made reported a fall in the use of bailiffs to collect business-related debts, with 30 percent reporting an increase.

This fall comes despite the fact that bailiff use has increasingly been cited by small business owners as their main reason for calling Business Debtline – rising from 2.9 percent of callers in 2012 to 5.5 percent in 2014. Figures for the first two quarters of 2015 show this rise continuing, at 7.7 percent and 8.4 percent of callers respectively.

Total bailiff referrals for business-related debts



Proportion of Business Debtline callers citing bailiff action as main reason for calling



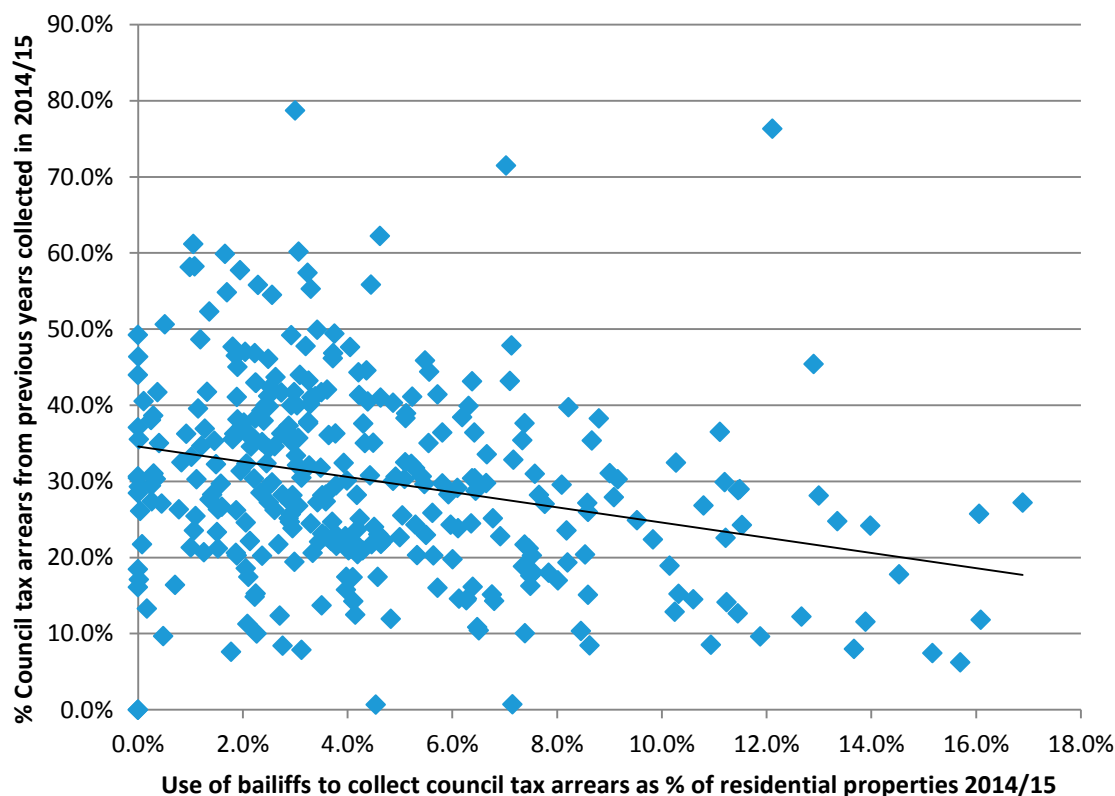
Sundry/other debts

Authorities were asked to give the number of referrals of sundry/other debts to bailiffs separately, reporting 31,798 such referrals in 2014/15. Responses from individual councils show that this total relates to both debts owed to individuals and debts owed to businesses, including some corporate debts.

Is bailiff use effective?

The data we have collected provides the opportunity to examine the effectiveness of the use of bailiffs as a means of debt collection for council tax arrears. To do this, we have compared the use of bailiffs for council tax arrears (only) by lower-tier authorities with data on the amounts of arrears from previous years collected during 2014/15, as submitted by local authorities to DCLG¹⁶ and the Welsh Government¹⁷. This comparison was possible for 328 lower-tier authorities in England and Wales who responded to our FOI with council tax bailiff use figures.

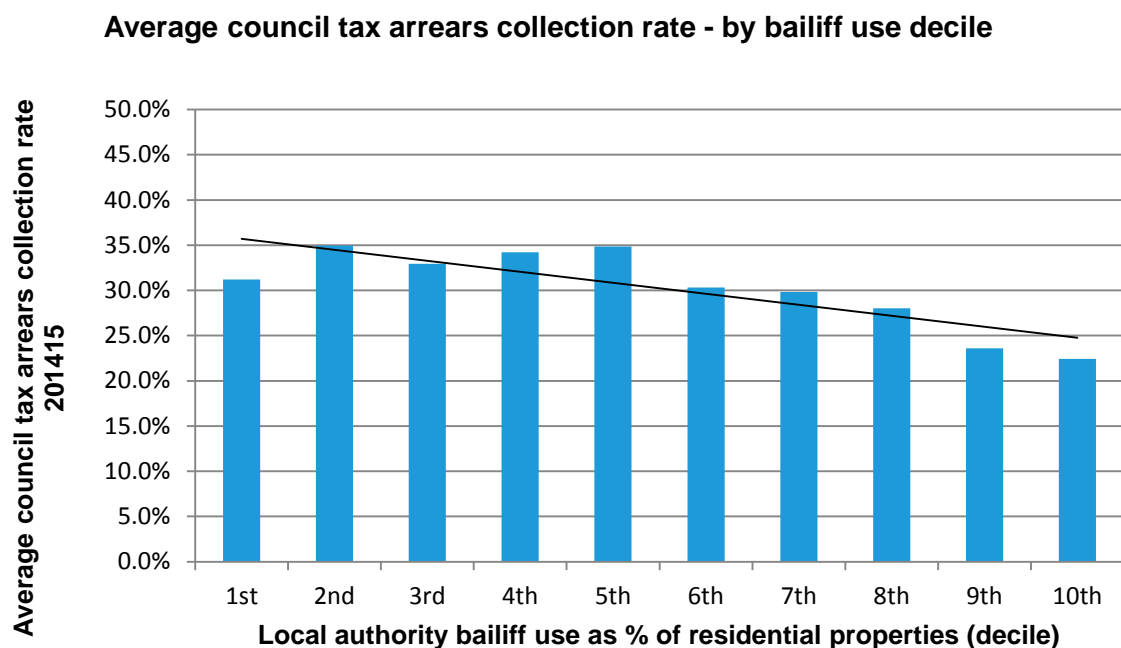
Use of bailiffs to collect council tax arrears vs Council tax arrears collection rate 2014-15



¹⁶ Collection rates for Council Tax and non-domestic rates in England, 2014 to 2015 – Quarterly return QRC4 2014 to 2015, Department for Communities and Local Government, 1st July 2015 ([link](#))

¹⁷ Arrears of Council Tax, by billing authority, 2014/2015, StatsWales ([link](#))

The analysis shows no correlation between higher bailiff use and higher collection rates for council tax arrears. In fact, the heaviest users of bailiffs for council tax collection had less success, on average, in collecting arrears from previous years.



The top tenth of authorities by bailiff use had an average collection rate of 22.4%, compared to 31.2% for the bottom tenth – calling into question the effectiveness of this debt collection method in protecting the council taxpayers' interest.

Our recommendations

We have a number of recommendations to make for both local authorities and government in the light of our findings. These recommendations build on our experience over many years of helping clients to deal with council tax and business rate debts, parking penalties and enforcement action by local authorities. Our recommendations largely focus on improvements in council tax debt collection as that is the most significant area of debt handled by local authorities.

Recommendations for local authorities

Improving payment arrangements and signposting

- **Early intervention and signposting:** Local authorities should be encouraged to use early intervention in debt collection and adopt tools, guidelines and initiatives used by other sectors. For example, enforcement agencies are required to include contact details for debt advice in their initial enforcement notice which has wording in a prescribed form. While this is a great step forward, it is not early enough in the process. Local authorities should be obliged to refer to local and national sources of free, independent debt advice. In particular, contact details for free debt advice should appear on all council tax arrears letters.
- **Adequate breathing space:** Each local authority should be obliged to provide some breathing space along the lines accepted by financial institutions under the Lending Code¹⁸ and FCA consumer credit rules¹⁹ to enable people in debt to seek help.
- **Affordable and sustainable repayment arrangements:** Local authorities should be required to accept affordable and sustainable repayment arrangements over longer periods of time. It should be possible to approach the local authority to agree a payment arrangement at any stage in the process. Sustainable payment arrangements should be worked out using objective industry standard methods such as the Common Financial Statement or the new Standard Financial Statement. We recommend that that court proceedings should not be pursued if a repayment plan is in place and being adhered to. In these situations, there should be no need for further action.
- **Demonstrate alternatives to enforcement action:** Local authorities should be required to demonstrate that they have fully explored alternatives to enforcement action. Under section 3.5 of the DCLG Guidance on enforcement of council tax arrears it states:
“A local authority should take all reasonable steps to exhaust other options available to them prior to obtaining a liability order. Once a liability order has been granted a local authority should explore other enforcement options which are available to them, such as direct deductions from benefit or an attachment of earnings order.”
For example, alternative payment methods such as deductions from benefits or attachment of earnings are cheaper to implement, have much lower or non-existent

¹⁸ <http://www.lendingstandardsboard.org.uk/docs/lendingcode.pdf>

¹⁹ <http://fshandbook.info/FS/html/handbook/CONC/7/3>

enforcement fees and costs and are less stressful for vulnerable clients.

Taking a proportionate approach to fees and charges

- **Reasonable fees and charges:** Local authorities should only be charging sufficient amounts to recover the costs of issuing a liability order. In line with the recent *Nicholson v Tottenham Magistrates' Court* judgement, councils should be able to give council tax payers and magistrates' courts a breakdown of the costs they have claimed for obtaining liability orders. This is so that the council can show that these costs have been reasonably incurred.²⁰

Considering vulnerable residents

- **Identify vulnerable households:** Local authorities should ensure that they have adequate procedures in place to identify potentially vulnerable households, and amend their approach to collections and enforcement accordingly. When local authorities consider the action they take to collect the debt, they should make best endeavours to establish whether households are potentially vulnerable, and determine the course of action accordingly.
- **Debt and mental health good practice guidelines:** Local authorities should have regard to the MALG debt and mental health good practice awareness guidelines.²¹ They should also consider the innovative use of the MALG debt and mental health evidence form²² to inform their recovery decisions where people have mental health issues affecting their ability to pay.
- **Learn from other sectors:** There is a great deal of good practice guidance on vulnerability available which can be adapted for use. The FCA occasional paper on vulnerability and their practitioners pack²³ is a vital starting point. Other regulators such as Ofgem have also developed a vulnerability strategy for energy consumers which could assist in informing vulnerability strategies for local authorities to use for enforcement purposes.
- **Help for people in receipt of council tax support:** Local authorities should consider the introduction of a vetting stage prior to the issue of a court summons where being in receipt of council tax support triggers further engagement. They should also consider waiving court costs for council tax support cases, and whether the use of bailiffs is appropriate at all. When maintaining a minimum payment scheme, local authorities should also take into account the potential vulnerability of council tax support claimants and adopt a sensitive approach to collection. We welcome the fact that some local authorities have taken the decision not to take action against those on council tax support for small amounts in the first and second year of the council tax support scheme. However this forbearance policy may start to become unsustainable where debts start to grow, alongside the on-going bills. Whilst combining two or more years' worth of small

²⁰ <http://cases.iclr.co.uk/Subscr/search.aspx?path=WLR+Dailies%2FWLRD+2011%2Fwlr2015-204>

²¹ <http://www.malg.org.uk/dmhddocuments/Guidelines%202015.pdf>

²² <http://www.malg.org.uk/debtmentalhealth.html>

²³ <http://www.fca.org.uk/news/occasional-paper-no-8>

debts from unpaid contributions will save on liability order and enforcement costs, finding alternative payment methods for arrears recovery would be preferable. Councils' could also more actively consider, in cases of clear hardship, whether to explore discretionary relief²⁴ for old council tax debts.

Complying with good practice

- **Better compliance with good practice protocols and guidance:** Citizens Advice and the Local Government Association have agreed a *council tax arrears good practice protocol*²⁵ that sets out good practice in council tax arrears by local authorities. We recommend that councils that have not signed up to this do so.

Recommendations for government

- **Reduce the cost of enforcement for the individual in debt:** Ministry of Justice should look again at the costs of enforcement for individuals and local authorities. A small council tax debt can now have £310 in bailiff fees added within a very short period of time, making it even harder for people to pay.
- **Require local authorities to publish use of bailiffs and details on fees and charges:** Department of Communities and Local Government and Ministry of Justice should require local authorities to publish summary details of their use of bailiffs annually, and detail on the fees and the processes they use to ensure enforcement action is fair.
- **Make guidance statutory:** There is a range of non-binding guidance available for both local authorities and enforcement agents to have regards to when taking enforcement action. The Ministry of Justice should produce statutory guidance for enforcement agents for taking control of goods, based on its current voluntary guidance *National Standards for Taking Control of Goods*, which was published in April 2014.²⁶
- **Have regard for vulnerable residents:** Local authorities should be under a statutory requirement to have adequate procedures in place to identify potentially vulnerable households, including those with children. Councils should be required to publish details of their codes of practice on how to treat vulnerable clients.
- **Support local council tax support schemes:** Department for Communities and Local Government should review the extent to which the localisation of council tax benefit has led to low-income households having to make payments on their council tax bills where they would previously have received full council tax benefit. LGA research suggests that £1 billion of funding will have been removed from council tax benefit in the three years to 2015/16. The burden of the £1 billion funding gap in 2015/16 is shared between local authority budgets, council tax support recipients, and council tax payers generally. We recommend that government review the 100 per cent subsidy for local Council Tax

²⁵ https://www.citizensadvice.org.uk/about-us/campaigns/current_campaigns/recent-campaigns/council-tax-arrears-good-practice-protocol/

²⁶ <https://www.gov.uk/government/publications/bailiffs-and-enforcement-agents-national-standards>

Support schemes in the coming years in order to reduce the financial pressures on councils and enable them to support their poorest local residents. We suggest that further consideration of how localised council tax schemes will work with the national structure of universal credit. We suggest a re-examination of whether it would be feasible for the localised schemes to be absorbed into universal credit. At the moment it is unclear how this might work without creating a significant administrative burden.

Rules for parking penalties: New legislation in this area could be introduced to allow courts to suspend warrants and for clients to apply for affordable instalments. In this way, parking penalties would become aligned with enforcement of county court judgments.

National Debtline's bailiff golden rules

Our Bailiff Golden Rules

If a bailiff calls

1. You should get notice in advance that a bailiff is likely to call.
2. If you know that a visit is likely, make sure that you do not leave any windows or external doors open.
3. If the bailiffs have not already taken details of your car, hide it well away from your property or lock it in a garage. If you do not have access to a garage, you could park the vehicle away from your property. However, if the bailiff finds it, they could clamp or remove it. The bailiffs can also clamp or remove your vehicle if you park it on your own drive.
4. When bailiffs visit, they should show you identification such as a badge or ID card, when you request it, so you know who they are.
5. In most cases, bailiffs should not force entry to your home if they have not been in before.
6. You do not have to let the bailiff into your home if they have not been in peacefully before.
7. If the bailiff has been into your home, taken control of your goods properly and you have not kept to any agreement you made with them, they usually have the right to return and take your goods. There are goods that bailiffs should not take, such as essential household items or items that belong to someone else.
8. Keep calm and don't be intimidated. Getting angry or fighting with a bailiff will make the situation worse.

When can bailiffs force entry?

There are limited situations when a bailiff can force entry to your property if they have not been in before.

- The bailiff is collecting a criminal magistrates' court fine.
- HM Revenue and Customs are collecting tax debts. The court's permission is needed for this.
- County court bailiffs or High Court Enforcement Officers can break into business property.
- In practice, it is rare for these types of bailiff to force entry. Also, remember that other types of bailiff should not force entry if they have not been in before.

How to make payments

It is really important to try to make an offer of payment that you can afford and to start making the payments as soon as possible.

When you make an offer of payment to the bailiff, show them a copy of your budget sheet. Explain your circumstances and why you are struggling to pay. If you find it difficult to negotiate with them, consider putting your offer in writing.

Always get a receipt if you make cash payments to a bailiff.

Sometimes, you can ask the creditor to let you pay them directly. This can work if the bailiff is collecting council tax you owe to your local authority.

Check to see if you have the right to ask a court to take back the debt and look at what you can afford to pay. This might be possible if your debt is in the county court or High Court or if you have a magistrates' court fine.

Complaining

Get a written breakdown of what the bailiffs say you owe. The law says that the bailiffs can only add set charges to your debt. You can complain if they have charged you too much.

If you are not sure whether bailiffs have the powers they say they have, get advice. All bailiffs should behave professionally. They must act within the law at all times and follow agreed national standards.

Most bailiffs need to have a certificate from the county court to allow them to act. You can complain to the court and ask for the bailiff's certificate to be withdrawn. Contact us for advice if you are considering making this type of complaint.

Make a written complaint

If you are not happy with the way a bailiff has acted, you can make a written complaint. If you are not happy with their response, you can take your complaint further.

You might be able to complain to the Local Government Ombudsman if you owe council tax or parking penalty charge notices. Most private bailiffs belong to the Civil Enforcement Association, which operates a complaints procedure for their members.

Get help

If you need extra help to deal with bailiffs, contact us for advice.

Appendix: Reports

CPAG Z2K, (2014), A New Poll Tax? The impact of the abolition of council tax benefit in London.

A New Poll Tax?' finds that nearly 4 in 10 Londoners affected by the replacement of Council Tax Benefit by local schemes have been unable to meet these payments and have received a court summons. The report also reveals how these changes mean overstretched London boroughs have been saddled with falling collection rates and rising collection costs.

<http://www.cpag.org.uk/content/new-poll-tax-londons-poorest-and-councils-hit-hard-council-tax-changes>

The Children's Society, (2015), The wolf at the door

The report calls on local authorities to do more to support families struggling with council tax debts and sets out recommendations as to how Government and local authorities could do so.

http://www.childrenssociety.org.uk/sites/default/files/wolf-at-the-door_council-tax-debt-collection-is-harming-children_PCR027a_WolfAtTheDoor_Web.pdf

Institute for Fiscal Studies, (2015), Council Tax Support Schemes in England: What Did Local Authorities Choose, and with What Effects?

Council tax benefit (CTB) was abolished in April 2013 and local authorities in England were charged with designing their own council tax support (CTS) schemes in its place. This report analyses the CTS schemes that local authorities adopted in the first year of the new policy. It also used Citizens Advice data to assess the early impacts of the new schemes.

<http://www.ifs.org.uk/comms/r90.pdf>

JRF, (2015), Council tax best practice

This study looked for examples of best practice in council tax support schemes, and of how schemes can be designed to protect both the revenue of local authorities and the incomes of their least well-off residents. The report found schemes varied in type and the minimum payments expected of claimants. There were no obvious patterns by political control, demography or location. It also found that whilst many councils have so far resisted using bailiffs or court summons for CTS debts, many now have residents with two or more years' outstanding payments. The sustainability of the current mix of scheme design on the one hand and collection and enforcement policy on the other is therefore under question.

<http://www.jrf.org.uk/publications/council-tax-best-practice>

Local Government Association, (2015), Council tax support: the story continues

This report is based on results from a survey of chief finance officers of all 353 councils in England. The report also uses other evidence and stories received from local authorities. It makes proposals to improve the system by mitigating financial risks and providing councils with more financial incentives, with the aim of making council tax support live up to its potential. The findings indicate that, if local government funding continues to reduce, it is

very likely that some of these future reductions will be borne by council tax support claimants.

http://www.local.gov.uk/documents/10180/6869714/L14-635+Council+tax+support+report_v03/ad9031f0-d982-428d-bf98-5418b74a851c

Local Government Ombudsman, (2012) Council's use of bailiffs for debt collection

The LGO report is based on an analysis of complaints made to the ombudsman. It acknowledges how bailiffs are a vital part of council debt collection and what improvements can be made to ensure debt recovery action is reasonable, legal and proportionate.

<http://www.britishparking.co.uk/News/ombudsman-publishes-a-report-on-councils-use-of-bailiffs-for-debt-collection>

StepChange Debt Charity, (2015) Council tax debt report

StepChange argue that a combination of clearer, more consistent messages and reporting frameworks from central government can reinforce the value of sustainable, affordable repayment in council tax debt collection. This should be complemented by strengthening key aspects of guidance addressing council tax arrears collection and enforcement, along with the right to protection from enforcement while people are seeking to repay their debts at a sustainable rate.

<https://www.stepchange.org/Portals/0/documents/media/reports/Council-tax-debt-report-2015.pdf>



This report was compiled by the Money Advice Trust.

For more information about this report:

Call: 020 7653 9733

Email: policy@moneyadvicetrust.org

Website: www.moneyadvicetrust.org

Write to us:

21 Garlick Hill

London

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