



## 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 and unitary local authorities 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 council's use of bailiffs over time

**More than 2.7 million debts were passed to bailiffs by local authorities in England and Wales in the 2022/23 financial year.**

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

2

### Exempt Council Tax Support recipients from bailiff action

**Only 10% of councils have a policy of exempting Council Tax Support recipients, who have already been identified as requiring additional support, from bailiff action.**

We recommend local authorities exempt 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.

Read more about the importance of exempting Council Tax Support recipients from bailiff action, and recommendations on increasing take-up and awareness, in the Centre for Social Justice's full report [Still Collecting Dust](#).

3

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

**153 local authorities have a formal policy in place covering residents in vulnerable circumstances, either through 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](#).

4

## Take steps to understand household circumstances before a liability order is sought

**Two-thirds of councils (67%) said they conduct an assessment of income and expenditure or vulnerability (or both) before seeking a liability order. However, the majority only did so if a resident proactively got in touch to ask for this.**

We recommend that councils be proactive in establishing a resident's circumstances, prior to seeking a liability order for council tax. This will help councils to understand where someone is struggling to pay and to tailor collection practices accordingly, as well giving individuals more time to engage and try to resolve the debt before being made liable for their entire annual bill.

We recommend councils take the following steps prior to seeking a liability order: Assessment of vulnerability; assessment of income and expenditure; referral to council tax support scheme; referral to free debt advice; and referral to income maximisation.

5

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

**Just 55 local authorities have adopted the SFS, run by the Money and Pensions Service – as an objective way of assessing affordability.**

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.

6

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

**Almost all councils (98%) signpost residents in financial difficulty to free debt advice, although many are directed through written communications rather than more pro-active referrals.**

It is positive that nearly all councils refer residents to free debt 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. National Debtline provides free, independent debt advice over the phone, webchat and online. We recommend all councils include National Debtline as part of their signposting on letters and websites.

[Visit our website](#) for more information on referring to National Debtline, including suggested text for communications with residents.

All research findings taken from the Money Advice Trust and Centre for Social Justice FOI of local authorities in England and Wales. View the full data at [www.stoptheknock.org](http://www.stoptheknock.org) and read the Centre for Social Justice's report *Still Collecting Dust: Ensuring Fairness in Council Tax Collection in 2024*, by visiting [www.centreforsocialjustice.org.uk](http://www.centreforsocialjustice.org.uk).

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