

Service Delivery Executive Advisory Board Report

Ward(s) affected: All

Report of Director of Service Delivery

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Collection of Council Tax Arrears Good Practice Citizens Advice Bureau (CAB) Protocol

Executive Summary

On 28 July 2020 Council resolved:

“To authorise the Director of Resources to review the CAB/LGA “Revised Collection of Council Tax Arrears Good Practice Protocol” as set out in Appendix 1 to the report submitted to the Council and to report back to the relevant EAB with details as to where the Council's current approach differs from the CAB/LGA protocol in order to enable a recommendation on the protocol to be made by the EAB.”

This report provides a summary of the statutory Council Tax recovery process and the financial help that is available for those on low incomes via the Local Council Tax Support Scheme.

The CAB protocol is divided into three sections: Partnership Working, Information and Recovery. The report considers the detailed requirements and identifies what our approach is to each and where it differs.

It concludes that we have a good working relationship with the local advice agencies and address issues as and when they arise. That our documentation is good and has been reviewed over the years, and that the most recent review of information available to the public on our telephone line and website has been completed as part of the Future Guildford programme. Debtors are signposted to advice agencies through all channels and cases are passed to our enforcement agents, only when other avenues have failed.

The Council generally meets the overarching aims set out at the start of each section, namely:

- effective partnership working
- improving the information supplied to council tax payers about the billing process, how to get support and debt advice and to promote engagement

- making an effort to ensure that debt and money advice referrals, plus assessment of vulnerability and hardship occur prior to enforcement by an enforcement agent

However, we do not meet all the requirements of the protocol. We do not:

- hold all the formal meetings that are required
- work in partnership on documents, policies and take up campaigns – although we do listen to feedback and address issues when they are raised.
- have an arrangement whereby any debtor regardless of personal circumstance is referred back to us by our enforcement agents
- make special payment arrangements at all stages in the process
- have a corporate debt recovery policy (this is the subject of a separate report)
- accept that enforcement agents who are contracted to us, should take direct direction from advice agencies.

There is a currently unquantified cost to becoming compliant with all the requirements, for an unclear benefit given that we generally meet the overarching aims. With regards to information this has just been reviewed as part of Future Guildford. To revisit now in partnership with advice agencies would be rework. The Future Guildford model is for “self service where possible” and simplification of processes. Staffing numbers have been reduced accordingly. Increasing referrals back from our enforcement agents and changing the process for special payment arrangements will add back complexity and workload.

251 out of 314 councils, including Waverley, have not signed up to the protocol and we are not under pressure from local advice agencies to do so.

Whilst it may not be practical and cost effective to become fully compliant with the Protocol there is an opportunity to move even closer to compliance, and to therefore improve best practice, by adopting a Corporate Debt Recovery Policy. The benefits of which are discussed in a separate report.

Given that we are not under pressure to sign up to the Protocol, and have no evidence that the benefits of signing up will outweigh the cost of being fully compliant, officers recommend that the Council does not sign up to the CAB Protocol, but does consider adopting a Corporate Debt Recovery Policy which will enhance the information available to Council Tax payers.

Recommendation to Committee

The EAB is asked to recommend to the Executive that it should not adopt the CAB Protocol, but should support the adoption of a Corporate Debt Recovery Policy.

Reason(s) for Recommendation:

Council asked officers to report back to the relevant EAB with details as to where the Council's current approach differs from the CAB/LGA protocol in order to enable a recommendation on the protocol to be made by the EAB.”

Having reviewed the protocol the benefits do not outweigh the cost of compliance, given that the Council already meets the overarching aims of the protocol.

Adopting a Corporate Debt Recovery Policy will not make the Council compliant with the CAB Protocol but will enhance the information available to tax payers.

Is the report (or part of it) exempt from publication? (*delete as appropriate*)

No

1. Purpose of Report

- 1.1 To provide the Executive Advisory Board with information on where the Council's current approach to Council Tax collection differs from the Citizens Advice (CAB) Protocol, so that the EAB can make a recommendation on the protocol.

2. Strategic Priorities

- 2.1 The way in which we go about collecting Council Tax contributes to the theme of community as financial stress can have a big impact on the health and wellbeing of residents.

- 2.2 The following values are also relevant:

- We will deliver quality and value for money services.
- We will help the vulnerable members of our community.
- We will be open and accountable.
- We will deliver improvements and enable change across the borough.

3. Background

Council Resolution

- 3.1 At Council on Tuesday 28 July 2020 councillors considered the motion:

“At a time of increasing financial pressure and rising unemployment, it is important that safeguards are in place to protect and support residents facing the possibility of falling into debt.

The inability to pay council tax is something that can affect us all: from residents dealing with the stress and uncertainty of not being able to pay their bills, to councils increasingly dependent on local income following a decade of central government cuts.

The Citizens' Advice Bureau has worked with the Local Government Association to create a “Revised Collection of Council Tax Arrears Good Practice Protocol” which calls for councils to improve existing practices for offering advice, support and payment options for residents facing difficulties in paying their council tax. A copy is attached as Appendix 1 to the report submitted to the Council.

While Guildford Borough Council has a good record in the collection of council tax arrears, the Labour Group believes that adopting the protocol will strengthen the process by linking debt advice to repayment schemes and enabling early intervention before a crisis point is reached. This will benefit both our residents

and the council, which is under increasing pressure to collect as much income as possible to support local services.

To date, 61 councils of all political stripes across England have already adopted the policy and the Labour Group calls on Guildford Borough Council to adopt the protocol as soon as is practical.”

- 3.2 Following the debate on the motion, Councillor George Potter proposed, and Councillor Will Salmon seconded, the following amendment:

Delete everything from the end of 'This Council resolves to request the Executive' onwards and insert:

“To authorise the Director of Resources to review the CAB/LGA “Revised Collection of Council Tax Arrears Good Practice Protocol” as set out in Appendix 1 to the report submitted to the Council and to report back to the relevant EAB with details as to where the Council's current approach differs from the CAB/LGA protocol in order to enable a recommendation on the protocol to be made by the EAB.”

- 3.3 Following further debate Council resolved:

“To authorise the Director of Resources to review the CAB/LGA “Revised Collection of Council Tax Arrears Good Practice Protocol” as set out in Appendix 1 to the report submitted to the Council and to report back to the relevant EAB with details as to where the Council's current approach differs from the CAB/LGA protocol in order to enable a recommendation on the protocol to be made by the EAB.”

CAB Protocol

- 3.4 The Council Tax Protocol was developed in 2017 by the CAB in partnership with the Local Government Association and offers practical steps aimed at preventing people from getting into debt in the first place and outlines how to ensure enforcement agents act within the law. Each element of the Protocol is considered in section 4 of this report.

- 3.5 As at 13 July 2021 63 English local authorities have adopted the protocol. It should be noted that the local CABs have not pressurised Guildford Borough Council to adopt the protocol, and the indication is that they know who to contact within the authority. Reigate and Banstead, Rushmoor and East Hants are local authorities that have adopted the protocol. Waverley has not.

Council Tax Recovery

- 3.6 Debt recovery for Council Tax is set out in the Local Government Finance Act 1992 as amended.
- 3.7 In summary the recovery process is:

Council tax-payers have the right to pay in either ten or twelve instalments per year, at their request. However, they can lose this right, and be required to pay the entire bill at once, under two circumstances:

- Where a reminder notice has been sent for an instalment, but the tax-payer has failed to pay the instalment within seven days of the issue of the reminder notice;
- Where the tax-payer has received two reminder notices in the current financial year and they miss the deadline for the instalment for a third time. At this point a cancellation of instalments notice is issued

Once the right to pay by instalments has been lost where payment remains outstanding a summons is issued. The purpose of the summons is to obtain a Liability Order from the Magistrates Court. This document confirms that the tax-payer is liable for the debt and that it is unpaid. It provides additional options to recover the debt if it remains unpaid:

- Attachment to Earnings
- Attachment to DWP Benefits
- Collection by an Enforcement Agent
- Committal to prison
- Insolvency proceedings - such as bankruptcy
- Charging Order (charge placed on property)

Financial Help

3.8 Help with paying the Council Tax is available through the Local Council Tax Support (LCTS) scheme. Whilst some 80% of councils have a scheme that requires working age recipients to pay a percentage of their Council Tax regardless of their circumstances, Guildford has retained a scheme that grants a 100% reduction for those most in need in properties banded from A to D (extended to band E for 2021 in response to the pandemic). This minimises the need to collect small sums of debt from those who are most likely to be unable to pay. 71% of working age recipients continue to receive 100% help with their Council Tax in 2021. The pension age scheme provides a 100% reduction to those most in need in any property band.

3.9 Alongside the working age LCTS scheme we operate a Discretionary Hardship Fund for those affected by the rules, where we look at applicant's individual income and expenditure needs. Again this ensures that those most in need receive support to pay their Council Tax.

4. Assessment of the CAB Protocol

4.1 The CAB protocol is split into three sections:

- Partnership
- Information
- Recovery

4.2 The following paragraphs consider each section in turn. They begin with an overview of the current situation with a commentary on the areas where Guildford

Borough Council differs from the protocol. The overview is followed by a table listing each protocol requirement and how it is or is not met by the Council.

4.3 Partnership

The aim of this section in the protocol is “to foster more effective partnership working”

We have a good working relationship with the local CAB’s and Christians Against Poverty (CAP). None of them are pressurising us to sign up to the CAB Protocol.

We do not meet the protocol because:

- It requires regular meetings between all parties. Officers do not have quarterly meetings with advice agencies, choosing to address practical and policy issues as they arise. Additionally, councillors do not have an annual meeting with the advice agencies.
- It requires meetings and direct line contact between our enforcement agents and advice agencies. We do not believe this is appropriate. Our enforcement agents cannot take instruction from third parties as their contract is with the Council. It is important that officers are aware of any issues with the enforcement agents and they facilitate any necessary contact when contacted by the advice agencies. This works well.
- Officers have not worked in partnership with advice agencies and enforcement agents to develop a fair collection and enforcement policy. Responsibility for collection lies with the Council. It must comply with relevant legislation, and balance the financial and legal requirements to collect the tax with the need to help those in financial need. All of these issues pre-date the protocol, and there is a history of continual review of collection and recovery processes and documentation within the Revenues team. The proposed Debt Recovery Policy also being considered by the EAB will (if adopted) formalise the way in which Council Tax has been collected for many years.

Table 1 Partnership Working

Protocol Requirement	Requirement met	Requirement not met
<p>1. Local authorities, enforcement agencies and advice agencies should meet regularly to discuss practical and policy issues with a recommendation to meet quarterly at officer level and annually with elected members.</p>	<p>Officers meet regularly with enforcement agents</p>	<p>Officers do not have quarterly meetings with the CAB, however will meet if either party instigates a meeting. Practical and policy issues are addressed as they arise because both parties have relevant contact details for each other.</p> <p>Annual meetings with elected members are not in place.</p> <p>Enforcement Agents do not meet with the CABs. Their contract is with the Council, and participation in such meetings on a regular basis would place them in a difficult position as they cannot take instruction from advice agencies.</p>
<p>2. All parties should have dedicated contacts accessible on direct lines and electronically so that issues can be taken up quickly.</p>	<p>The CABs and local advice agencies have direct lines/email addresses to be able to contact the Council Tax Manager, Court Officer and Benefit Manager.</p>	<p>Advice agencies do not have direct line access to our enforcement agents. Instead enquiries come via officers. It is appropriate that issues are raised through us first as we remain responsible for collection, and the enforcement agents are our contractors. In practice this works well.</p>
<p>3. All parties should promote mutual understanding by providing training workshops, undertaking exchange visits and sharing good practice.</p>	<p>This has occurred in the past as necessary. Our enforcement agents provided both ourselves and the CAB with training when the legislation around 'taking control of goods' was introduced.</p>	

Protocol Requirement	Requirement met	Requirement not met
4. As local authorities are responsible for the overall collections process, they should ensure all their staff, external contractors and enforcement agencies receive the appropriate training, particularly on vulnerability and hardship.	Both our own staff and our enforcement agents staff receive training.	
5. Advice agencies, enforcement agencies and local authorities should work together to develop a fair collection and enforcement policy, highlighting examples of vulnerable people or those who find themselves in vulnerable situations, and specifying clear procedures in dealing with them. Contractual arrangements with enforcement agents should specify procedures for the local authority to take back cases involving vulnerable people.	Our enforcement agents are required to identify where a debtor is vulnerable and to then discuss with us before taking any further action. Depending on individual circumstances this can lead to cases being taken back. Equally officers can ask the enforcement agents to return cases, where it is inappropriate to continue with enforcement action.	<p>Officers have not worked with advice agencies and enforcement agencies to develop a fair collection and enforcement policy.</p> <p>Overall responsibility for collection lies with Guildford Borough Council. Whilst consultation with third parties is appropriate there is an overall requirement to collect Council Tax in accordance with the relevant legislation, which predates the CAB Protocol. Collection and recovery processes and documentation continue to be reviewed response to feedback.</p> <p>The proposed Debt Recovery Policy (if adopted) will formalise the way in which Council Tax has been collected for many years.</p>
6. Local authorities should consider informal complaints as debtors may be afraid to complain formally where enforcement agent activity is ongoing. Informal complaints received from advice agencies can indicate problems worthy of further investigation both locally by the local authority and by referral to national bodies.	We take all complaints seriously. Any concerns highlighted are investigated whether formally or informally raised.	

4.4 Information

The aim of this section of the protocol is to improve the information supplied to council tax payers about the billing process, how to get support and debt advice and to promote engagement.

Guildford Borough Council has been collecting Council Tax since 1993 when the tax was first introduced. Officers have continually reviewed documentation in the light of both legislation and feedback to ensure that it continues to be relevant and meet customers' needs. In addition to paper documents information on the recovery process and where to obtain help and advice is available on our website and our 24/7 i360 telephone information line. Our enforcement agent's website also contains comprehensive information. Our most recent review has taken place alongside the launch of our online portal.

We do not meet the protocol because:

- Officers have not worked in partnership with advice agencies to produce letters and bills. As responsibility for collecting the tax lies with the Council officers believe it is important that they retain the flexibility to change documents in response to current circumstances (such as the pandemic) without being tied into the need to agree those changes with third parties first.
- We do not currently provide literature about concerns that taxpayers may have about enforcement agents. There is however information on both our website and our enforcement agent's website and a letter from the CAB accompanies all summonses. We cover individual concerns as they arise and are not aware of a need for additional documentation.
- We do not work in partnership with advice agencies on take up campaigns for reductions and better engagement with tax payers. We do however publicise the availability of reductions on our bills, website and telephone service.

Table 2 Improving Information

Protocol Requirement	Requirement met	Requirement not met
<p>1. All parties should work together to produce letters that clearly and consistently explain how council tax bills have been calculated (including any Council Tax Support award). Council tax bills should make clear council tax is a priority debt and explain the consequences of not making payment by the date specified. As far as possible within the constraints of systems, where a taxpayer has council tax arrears, the letters should explain how the debt has been accumulated and over which time period, the layout and language of bills and letters should be easy to understand, with any letters including a contact phone number and email address. All information should also be made available online in a clear format.</p>	<p>Letters and bills are clear and include contact information.</p> <p>All recovery documentation explains what the debtor needs to do next and the consequences of ignoring the letter.</p> <p>Information is available online both on the main website and within the MyGuildford account.</p> <p>It is also available 24/7 on our i360 telephone information line.</p>	<p>Officers have not worked together with advice agencies to produce letters and bills.</p> <p>Overall responsibility for collection lies with Guildford Borough Council. Whilst consultation with third parties is appropriate there is an overall requirement to collect Council Tax in accordance with the relevant legislation, which predates the CAB Protocol.</p> <p>We have continually reviewed our documentation over the years in response to feedback and customer enquiries, with the aim to make it as clear as possible whilst complying with the legislation.</p> <p>The requirement to work with the CAB, rather than to consult with them or take feedback from them, removes officers ability to respond to changing circumstances. For example during 2020 we were able to modify our documentation in response to the pandemic as necessary and without the delay of having to get agreement from a third party.</p>

Protocol Requirement	Requirement met	Requirement not met
<p>2. Local authorities should consider reviewing payment arrangements and offer more flexible options, including, subject to practicality, different payment dates within the month, spreading payments over 12 months and, potentially, different payment amounts to assist those on fluctuating incomes. This can allow people to budget more effectively</p>	<p>We follow the statutory instalment schemes of 10 or 12 months, and make alternative special arrangements with debtors following the issue of a summons. Offering further flexibility increases complexity and administrative cost, which is not practical in the current financial climate.</p>	
<p>3. Local authorities and enforcement agents should publicise local and national debt advice contact details on literature and notices. Advice agencies can help by promoting the need for debtors to contact their local authority promptly in order to agree payment plans. Parties can work together to ensure the tone of letters is not intimidating but encouraging of engagement.</p>	<p>Signposting is carried out within both our documents and our enforcement agency documents. Further signposting occurs when debts are discussed with customers and also on our 24/7 i360 telephone information line. A letter from the CAB is sent out with all summonses.</p>	
<p>4. Local authorities should ensure that enforcement agencies have appropriate information about the council tax debts they are recovering, so they can put this in letters they send to debtors and answer any questions.</p>	<p>We provide the enforcement agents with all the information that they need.</p>	
<p>5. Local authorities should consider providing literature about concerns council tax debtors may have about enforcement agents and enforcement. Information could cover charges enforcement agencies are allowed to make by law, how to complain about enforcement agent behaviour or check enforcement agent certification and further help available from the local authority or advice agencies.</p>	<p>Information on costs is available on our website plus signposting to advice agencies. A letter from the CAB is provided with all summonses. Our enforcement agent's website also contains comprehensive information and signposting to advice agencies.</p>	<p>We do not currently provide this literature. We answer any enquiries individually and are not aware that there is an issue – possibly due to the information that is available on line.</p>

Protocol Requirement	Requirement met	Requirement not met
<p>6. All parties should work together to review and promote better engagement by council taxpayers. This should include information on how bills can be reduced through reliefs, exemptions and council tax support schemes, advising taxpayers that they should contact the local authority if they experience financial hardship and the consequences of allowing priority debts to accumulate. Information and budgeting tools should be made available on local authority and advice agency websites, via social media and at offices of relevant agencies. This is an opportunity for joint campaign work.</p>	<p>Details on reductions are contained on every bill, on the website and on our i360 information telephone line.</p>	<p>We issue a CAB letter with all summonses but do not specifically work together on joint campaigns.</p>

4.5 Recovery

This section of the protocol aims to make sure that local authorities make greater efforts to ensure that debt and money advice referrals, plus assessment of vulnerability and hardship occur prior to enforcement by an enforcement agent.

We make every effort to engage with the customer prior to transferring cases to our Enforcement Agent. We prefer to agree a payment arrangement with them direct or via an attachment to their earnings. When engagement fails we pass cases to the Enforcement Agent for collection. The Enforcement Agents are fully trained in identifying the vulnerable and dealing with them correctly. The first activity that the Enforcement Agents carry out is to contact the debtor to try and agree a payment arrangement, only when this fails will they visit their residence. The fees charged are fixed, by legislation.

In 2019 we passed 1364 cases to our Enforcement Agents for a total of £1,432,037.90, and they collected £584,672.24 – around 0.5% of the annual charge. To put this in perspective in 2019 we issued around 20,000 reminders and cancellation notices for Council Tax.

Underpinning this we aim to issue correct bills as quickly as possible and to collect the Council Tax within the financial year to avoid customers receiving backdated bills or compounding their debt when they receive next year's bill. We provide information on reductions on bills, the website and our telephone information line. We also signpost customers to debt advice via all channels.

We do not meet the protocol because:

- Officers have not worked together with advice agencies on the content, language, and layout of all documents. As covered under the information section as responsibility for collecting the tax lies with the Council, officers believe it is important that they retain the flexibility to change documents in response to current circumstances (such as the pandemic) without being tied into the need to agree those changes with third parties first.
- It requires our enforcement agents to work together with advice agencies on the content, language and layout of all documents. We do not believe this is appropriate. Our enforcement agents cannot take instruction from third parties as their contract is with the Council. They also have their own code of conduct to work within.
- Our enforcement agents do not routinely provide debtors with officer contact details. This is because they deal with not only those who can't pay, but those who won't pay and who will do anything to draw the process out (including taking up endless officer time). In our experience our enforcement agents are good at identifying the individual cases that need to speak to us.

They are trained to identify vulnerable cases and signpost debtors to advice agencies.

- We do not currently have a Corporate Debt Recovery Policy. The adoption of a policy is however the next item on the agenda.
- We do not make special payment arrangements at “any point in the process”, only once the entitlement to pay by instalments has been lost. Prior to this we will recalculate the statutory instalments based on individual circumstance. Offering special arrangements at any point in the process will increase administration costs because they sit outside the statutory process and have to be managed separately.

Table 3 Recovery

Protocol Requirement	Requirement met	Requirement not met
<p>1. Local authorities and enforcement agencies should work in partnership with advice agencies on the content, language and layout of all documents, produced by the local authority and agents acting on its behalf which are part of the enforcement process. This should aim to ensure that the rights and responsibilities of all parties, particularly those of the debtor, are clearly set out</p>	<p>We issue a letter from the CAB with all summonses.</p>	<p>This requirement is similar to item 1 in the Information section.</p> <p>Officers have not worked together with advice agencies on the content, language and layout of all documents.</p> <p>It is not appropriate for our enforcement agent to take instruction from advice agencies as their contract is with the Council.</p>
<p>2. Enforcement agents should provide the debtor with a contact number and email address should they wish to speak to the local authority</p>		<p>Our enforcement agents use their discretion on when to refer a customer back to the Council. We endeavour to engage with all customers prior to transferring cases to the enforcement agents and all documents issued by us contain contact details. At this stage the enforcement agent should be able to answer most customer enquiries and avoid the duplication of cost by referring cases back to us as a matter of routine.</p>

Protocol Requirement	Requirement met	Requirement not met
<p>3. Local authorities should keep all charges associated with recovery under regular review to ensure they are reasonable and as clear and transparent as possible and reflect actual costs incurred. Enforcement agents should only make charges in accordance with council tax collection and enforcement regulations, particularly the Tribunal Courts and Enforcement Act.</p>	<p>Court costs are agreed by the court and must be reasonable. Enforcement Agents costs are set in legislation and there is no discretion.</p>	
<p>4. Local authorities should periodically review their corporate policy on debt and recovery, particularly what level of debt (inclusive of liability order fees) should have accrued before enforcement agent action, as enforcement will add additional costs to a debt.</p>	<p>All referrals are determined on their own merits. Only where we are unable to clear the debt by other means, or the debtor fails to engage do we pass the debt to our enforcement agents.</p>	
<p>5. As part of their corporate policy on debt and recovery, local authorities should have a process for dealing with cases that are identified as vulnerable, bearing in mind that different local authorities may have different definitions of a vulnerable person or household. Any local definition of vulnerability should be developed in consultation with advice agencies and enforcement agencies and, wherever possible, the local authority should aim to publish clear guidelines on what constitutes vulnerability locally. Where a local authority's vulnerability criteria apply, in these cases, debts should be considered carefully before being passed to enforcement agencies. Where enforcement agents or other parties identify a vulnerable household, recovery action will be referred to the local authority.</p>	<p>Our enforcement agents are trained to identify vulnerable households and take further advice from us as necessary.</p>	<p>We do not currently have a corporate debt recovery policy.</p>
<p>6. Local authorities should regularly review and publish their policies which cover hardship, including how these relate to council tax arrears.</p>		<p>We do not currently have a corporate debt recovery policy.</p>

Protocol Requirement	Requirement met	Requirement not met
7. Where a household is in receipt of Council Tax Support, the local authority should consider matters carefully and determine whether to pass such cases to enforcement agents, based on the individual circumstances of the case.	Each case is reviewed prior to transferring to our enforcement agents. .	
8. The debtor may have outstanding claims for Universal Credit, Council Tax Support or other benefit(s) which are contributing to their arrears. Local authorities can suspend recovery once it is established that a legitimate and relevant claim is pending.	We suspend recovery action where we are aware of an outstanding application that is likely to reduce the debt.	
9. Local authorities and their enforcement agents should consider offering a 28 days hold or “breathing space” on enforcement action if debtors are seeking debt advice from an accredited advice provider.	We have always held recovery action where a debtor needs to seek further advice. From May 2021 the government has introduced specific rules (see section 5) which we also follow.	
10. Procedures should exist for debt advisers to negotiate payments on behalf of the taxpayer at any point in the process, including when the debt has been passed to the enforcement agent. In some cases, the debtor may only contact an advice agency following a visit from the enforcement agent.	We make special payment arrangements with customers, as do our enforcement agents when a debtor cannot pay the debt in full. Provided the debtor has given permission for the advisor to act on their behalf we will discuss an arrangement with them.	We do not make arrangements at any point in the process, only once the right to pay by instalments has been lost. Prior to this we will recalculate the statutory instalments based on individual circumstance. Offering special arrangements at any point in the process will increase administration costs.

Protocol Requirement	Requirement met	Requirement not met
<p>11. Local authorities and enforcement agents should consider accepting and using the Standard Financial Statement (SFS) or Common Financial Statement in assessing ability to pay as long as this is consistent with securing value for money for all council tax payers.</p>	<p>We consider individual circumstance and do not use these statements. Most debtors have a clear idea of the sum that they can afford to pay. Adding in an additional process will add to the cost of administering the Council Tax. The Standard Financial Statement has replaced the Common Financial Statement. They are aimed at debt advisors and to use the SFS we would need membership and a license from the Money and Pensions Service. We do not provide debt advice, but signpost debtors to sources of advice and help.</p>	
<p>12. Each case should be examined on its merits and repayment arrangements need to be affordable and sustainable, while ensuring that the debt is paid off within a reasonable period. Where appropriate, local authorities should provide the flexibility to spread repayments over more than a year, including beyond the end of a financial year.</p>	<p>Each case is considered on its merits. The general expectation is that Council Tax should be paid within the financial year because the debt will grow larger with the issue of another bill for the following financial year. However, exceptions are made based on individual circumstance.</p>	
<p>13. Local authorities should prioritise direct deduction from benefits or attachment of earnings in preference to using enforcement agents. This avoids extra debts being incurred by people who may already have substantial liabilities.</p>	<p>This is generally our approach. However attachments often result in regular payments lower than rate at which the debt accrues. Where there are no other reductions available to reduce the debt further, in these circumstances we will consider the use of enforcement agents.</p>	
<p>14. Clarity should be provided to the debtor and enforcement agency as to which debts are being paid off, in what amounts and when, especially where a debtor has multiple liability orders. Where appropriate, debts should be consolidated before being sent to enforcement agents.</p>	<p>Debts are only passed to our enforcement agents if we have contacted the customer within the last month. Multi debts are sent in a single batch where possible.</p>	

Protocol Requirement	Requirement met	Requirement not met
<p>15. Local authorities should publish a clear procedure for people to report complaints about all stages of recovery action. Local authorities will regularly monitor and, subject to requirements of commercial confidentiality and the Data Protection Act, publish the performance (including complaints) of those recovering debts on their behalf and ensure that contractual and legal arrangements are met.</p>	<p>The Council has a corporate complaints procedure. We monitor our enforcement agents but do not currently publish their performance due to the requirements of commercial confidentiality.</p>	

5. Other Developments since Council on Tuesday 28 July 2020

- 5.1 The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020 was introduced by the government to address the problems of indebtedness. This gives someone in problem debt the right to legal protections from their creditors.

There are two types of breathing space: a standard breathing space and a mental health crisis breathing space:

- A standard breathing space is available to anyone with problem debt. It gives them legal protections from creditor action for up to 60 days. The protections include pausing most enforcement action and contact from creditors and freezing most interest and charges on their debts.
- A mental health crisis breathing space is only available to someone who is receiving mental health crisis treatment and it has some stronger protections. It lasts as long as the person's mental health crisis treatment, plus 30 days (no matter how long the crisis treatment lasts).

The scheme went live on 4 May 2021.

- 5.2 House of Commons published Briefing paper 9007 15 September 2020: "Debts to public bodies: are Government debt collection practices outdated?" This indicates that the government is once again looking at public sector debt collection, and this may lead to statutory changes. This follows on from their reform of the bailiff industry in 2014 which (amongst other things) ensured that our enforcement agents are trained in identifying vulnerable debtors.
- 5.3 The Council Tax Service has been reviewed as part of Phase B of Future Guildford and is currently going through the transitional phase. The review has included access to accounts via MyGuildford, a review of all website pages to ensure they remain relevant and consistent with the "self service where possible" model, and a reworking of our 24/7 telephone information line to present information more quickly and concisely. There has also been a reduction in staffing.
- 5.4 A draft Corporate Debt Recovery Policy has been written and is being recommended for adoption. This will enable us to meet more of the CAB Protocol but not all of it.

6. Summary Findings

The following is a summary of the areas that need to be addressed if we want to meet the CAB Protocol, and any issues linked to them:

- 6.1 Introduce quarterly meetings between officers and advice agencies, and an annual meeting between councillors and advice agencies.

There is a cost to this in terms of the time of all parties, for potentially minimal benefit given that officers and advice agencies already have regular contact and address issues as they occur.

6.2 Adopt a corporate debt recovery policy.

This is the subject of a separate report.

6.3 Consider introducing documentation around concerns that taxpayers may have about enforcement agents.

Officers are not convinced that there is a requirement for this given the information that is available on a number of other channels.

6.4 Work in partnership with advice agencies and our enforcement agents to develop a fair collection and enforcement policy, and all documentation.

There are a number of issues linked with this:

- The service has always been responsive to feedback and has continually reviewed documentation over the years. A comprehensive review has just been completed under the Future Guildford programme. There is a potential rework cost attached to reviewing everything again with advice agencies to meet the protocol.
- Officers have a concern that adding in the requirement to work with third parties (rather than to consult them and take feedback when appropriate) will make us less agile and responsive to local circumstance.
- Our enforcement agents are contracted to us, not the advice agencies. As a commercial organisation they would not expect to work in partnership with local advice agencies.

6.5 Introduce meetings and direct line contact between our enforcement agents and advice agencies.

Our enforcement agents are contracted to us, not advice agencies and therefore cannot take instruction from them. Indeed, direct contact could leave officers out of the loop on the very matters that we need to know about given that we have sole responsibility for collection and recovery of Council Tax

6.6 Work with advice agencies on take up campaigns for reductions and increased engagement.

Reductions are well publicised through all channels and this has just been reviewed as part of Future Guildford. There is a cost of rework if we revisit this, in addition to the cost of take up campaigns to both parties. We have no evidence that taxpayers are not claiming the reductions that they are entitled to.

- 6.7 Change the arrangement with our enforcement agent so that they refer more cases back to officers regardless of personal circumstance.

There is a cost attached to this both in terms of officer time, and delays in recovering debts from debtors who “won’t pay” and will do anything to prolong the process. “Can’t pay” customers are taken care of by the existing arrangements.

- 6.8 Change our processes to accommodate special payment arrangements from the point of billing.

There is a cost attached to this as increased flexibility at an earlier stage removes customers from the statutory processes into something more bespoke and individual. Part of the Future Guildford model has been to streamline processes, and staff have been reduced on this basis.

7. Key Risks

- 7.1 If we adopt the CAB Protocol there is a risk that we will become less responsive to circumstance due to the requirement to work in partnership with advice agencies. For example in the early stages of the pandemic we were free to make our own decisions on what recovery action was appropriate without having to get agreement from third parties.

- 7.2 If we adopt the CAB Protocol we will increase our costs in order to meet its requirements. We are not under pressure from the CAB to adopt the protocol, and have a good working relationship with the local offices. Some of these costs will be from rework (of areas just reviewed as part of Future Guildford) and others making processes more complicated (contrary to the Future Guildford model of simplification).

8. Financial Implications

- 8.1 There are Revenue implications if the CAB Protocol is adopted because it will change processes and involve rework. It is difficult to put a cost on this at the present time due to the ongoing transition for Future Guildford, however it is unlikely that changes can be absorbed within the existing budget as the service is already working at full capacity.

9. Legal Implications

- 9.1 No legal implications apply regarding the protocol.

10. Human Resource Implications

- 10.1 Adoption of the protocol would have an impact on resources as it would necessitate additional meetings and administration. In practice this work would normally be absorbed by officers as “business as usual”, however capacity has been reduced under the Future Guildford programme. The team is still

transitioning to the new model and it is too early to say whether the work can be absorbed.

11. Equality and Diversity Implications

- 11.1 This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report.

12. Climate Change/Sustainability Implications

- 12.1 No such implications apply.

13. Summary of Options

- 13.1 The Council meets a substantial part of the CAB Protocol, and has a good working relationship with local advice agencies. For the most part we fulfil the overarching aims of each section in the Protocol, however we do not meet all the specific requirements and there are issues attached to complying with all of them.

- 13.2 There are essentially three options available:

- a Adopt the Protocol and address all of the issues so that we can meet its requirements. There is a financial cost attached to this that cannot be quantified at the present time. In addition whilst the required activities may be perceived to be “best practice” officers have not identified that they will lead to substantial benefits.
- b Do not adopt the Protocol on the basis that the Council has a good working relationship with local advice agencies and for the most part fulfil the overarching aims of each section.
- c Do not adopt the Protocol but recommend the adoption of a Corporate Debt Recovery Policy given that that it is identified as a “best practice” which the Council does not currently have in place. This is already the subject of a further report.

14. Conclusion

- 14.1 Councillors resolved that officers should report back to the relevant EAB with details as to where the Council's current approach differs from the CAB/LGA protocol in order to enable a recommendation on the protocol to be made by the EAB.
- 14.2 Officers have completed this assessment and identified that whilst the Councils' current approach fulfils the overarching aims of each section of the Protocol we do not meet all the specific requirements. To comply with all the requirements would have a cost attached to it (currently unquantified), require rework of information reviewed by the Future Guildford programme, or the introduction of more complex processes at a point where other processes have just been simplified and staff numbers reduced. There is no evidence that the benefits of signing up will outweigh the costs.

- 14.3 The Council is not under pressure from local advice agencies to sign up to the CAB Protocol. It has a good working relationship with these agencies and addresses issues as they arise. Indeed since 2017 only 63 councils have signed up for the Protocol, meaning that 251 billing authorities have not signed up. Waverley has not signed up to the Protocol. The Council is therefore not under pressure to sign up due to being in the minority.
- 14.4 Whilst signing up to the Protocol would mean complying with all the requirements, the Council could move a step closer to compliance by adopting a Corporate Debt Recovery Policy. This is one of the elements of best practice that the Council does not currently have in place. It is the subject of a separate report.
- 14.5 Officers recommend that the Council does not sign up to the CAB Protocol, but does consider adopting a Corporate Debt Recovery Policy.

15. Background Papers

CAB/LGA Council Tax Protocol:

<https://www.citizensadvice.org.uk/Global/CitizensAdvice/campaigns/Council%20Tax/Citizens%20Advice%20Council%20Tax%20Protocol%202017.pdf>

House of Commons Briefing Paper Debts to public bodies: are Government debt collection practices outdated? <https://commonslibrary.parliament.uk/research-briefings/cbp-9007/>

16. Appendices

None

Please ensure the following service areas have signed off your report. Please complete this box and do not delete.

Service	Sign off date
<i>Finance / S.151 Officer</i>	<i>Requested 26/07/21</i>
<i>Legal / Governance</i>	<i>Requested 26/07/21</i>
<i>HR</i>	<i>Requested 26/07/21</i>
<i>Equalities</i>	<i>Requested 26/07/21</i>
<i>Lead Councillor</i>	<i>28/07/21</i>
<i>CMT</i>	<i>20/07/21</i>
<i>Committee Services</i>	