

**Council 8 November, 2018**

**Council Tax Collection**

**Labour Group to move:**

**Council notes that:**

- 1 The 2018 House of Commons Treasury Committee report *Household finances: income saving and debt*, found that government and local authorities are often found to be the most zealous and unsympathetic of creditors in collecting arrears, with routine recourse to bailiffs.
- 2 It concluded that the public sector should be leading by example in their treatment of the most financially vulnerable, but that the current approach risks driving them into further difficulties.
- 3 Citizens Advice, in its evidence to the Treasury Committee, said that Government and local authority debt collection practices have a lot to learn from consumer creditors who have been brought into line both by regulation and by the realisation that aggressive collection methods are not effective at getting money out of people.
- 4 Bath and North East Somerset has a significant number of payment plans with residents either directly or through advice agencies and seeks to use alternative methods of debt recovery. However, as in many other local authorities, once an individual falls behind with their Council Tax the right to pay by instalments can be withdrawn, formal action to recover the money owed can move very rapidly and costs to the Council Tax payer can rise sharply.
- 5 During 2017/18, 2852 liability orders for Council Tax were sent to bailiffs in B&NES. Once a Council Tax debt has been referred to bailiffs it incurs additional bailiff fees thereby exacerbating an already difficult situation.
- 6 Officers in B&NES are about to enter into discussions about early referrals to Citizens Advice to support people experiencing difficulties paying their Council Tax.
- 7 The London Borough of Hammersmith and Fulham has said it will stop using bailiffs for unpaid Council Tax. Bristol City Council is also piloting an approach to a more ethical form of Council Tax collection.

**This Council believes that:**

- 7 It is important that residents pay their Council Tax. Any money not collected is money that can't be spent on delivering the services that residents depend upon.
- 8 In cases where people are able to pay but choose not to, the Council must act to recover the money owed.
- 9 However, where people are struggling with arrears, they should be offered help to produce affordable payment plans. Alongside this, early intervention and money management services should be used to support people before they fall behind with their payments.

**Council resolves therefore:**

- 10 To agree in principle that this Council should adopt alternatives to the use of bailiffs for the collection of Council Tax arrears and to ask the Resources PDS Panel at its meeting on 28<sup>th</sup> November, 2018 to start an investigation into how this Council might trial an ethical approach to debt collection as part of the work already underway to revise the Council's Debt Management Policy.