

# **Harrow Council**

## **Council Tax Collection and Recovery**

### **Policy**

**April 2014**

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## **Background**

This document is Harrow Council's Council Tax Collection and Recovery Policy which sets out our approach and our statutory duties to collect Council Tax.

Council Tax is collected from residents within Harrow and contributes towards Harrow Council Services such as the collection of rubbish, social services, housing and education. Some of the money collected through Council Tax pays for services run by the Greater London Authority (GLA) such as police, fire and other emergency services.

The amount of Council Tax paid to the Council is based on the valuation of the property residents live in.

## **Aims of the policy**

This policy aligns to the Corporate Debt Collection Policy available at [www.harrow.gov.uk](http://www.harrow.gov.uk)

The driving principle behind the Corporate Debt Recovery policy is to maximise income for the provision of services in Harrow whilst collecting debt responsibly, sensitively and effectively across all the Council's debt collection services.

We aim to pay particular emphasis on early identification of debt with early contact with our customers who get into debt to prevent debt occurring. We will work with customers to ensure they maintain a minimum payment to ensure arrears do not increase.

To deliver this effectively our customers can expect us to:

- Comply with relevant legislation and have regard to identified good practice
- Put in place effective arrangements for the provision of advice and support which include:
  - o We will work with independent organisations e.g. Citizens Advice Bureau (CAB) to ensure our customers who get into debt are given independent advice
  - o Our staff are trained in the maximisation of benefits uptake, debt collection and negotiation skills.
- Our staff will treat customers with respect at all times and respond courteously
- To offer a wide choice of payment options to help our customers to pay their bills to us whilst ensuring we offer the most efficient and economical methods to reduce costs to the Council

- Advise our customers promptly about the existence of their debt
- Put checkpoints in place at key points of the recovery process to identify where a customer may be vulnerable and to offer advice
- Where our customers owe more than one debt to us consideration will be given to a hierarchy of debt in order to identify priority debts.
- We will support and signpost customers to take responsibility in their journey to become financially independent
- In exceptional circumstances, where all appropriate recovery methods have been exhausted and we are unable to recovery the debt then a recommendation will be put forward that the debt is written off.
- Use data collected by us and our partner agencies – debt collectors, enforcement agents, insolvency practitioners etc. to review and report on the impact of this policy and associated service specific policies and procedures.

We would expect that customers who have a debt, or who have a liability to pay a charge to us would follow the following principles:

- Pay amounts due promptly to ensure receipt by us on or before the date that the payment is due
- Inform us promptly of any changes to their circumstances that may affect the amount to be paid or the ability to pay
- Notify us promptly if their address changes
- Contact us promptly if it is believed the amount charged is not correct, both where the amount may be too much or too little
- Contact us promptly if unable to pay an amount that is due
- Advise the Council of the totality of their debt to support realistic repayment agreements and prioritisation of repayments.
- Respect the Council's employees and its agents and respond to them courteously
- Be frank and honest when providing information in connection with the billing, collection or recovery of sums due to us.

## **Aims of the Council Tax Recovery Policy**

The aims of the Council Tax Recovery Policy are:

1. To advise residents of their Council Tax liability as soon as possible
2. To help residents receive all the Council Tax discounts, allowances and exemptions they are entitled to.
3. To strive towards achieving national and local collection targets
3. To maximise the take-up of Council Tax Support (also known as Reduction) and other benefits as appropriate.
4. To ensure we liaise with Advice Agencies to ensure our residents have information and advice to support them in the payment of their Council Tax
5. To collect Council Tax fairly and efficiently and promote cost saving collection methods
6. To offer a wide choice of payment options to help our residents to pay their Council Tax whilst ensuring we offer the most efficient and economical methods to reduce costs to the Council
7. To minimise the Council Tax arrears and maximise collection by taking timely recovery action in line with a set recovery timetable.
8. To act quickly when a resident falls in arrears
9. To be firm, fair and consistent while following regulations, and ensure that the recovery procedure is understandable
10. Where the resident is defined as vulnerable under the Council's corporate debt recovery vulnerability criteria and this is known to the Council Tax office, to take action according to individual circumstances and enter into sustainable payment arrangements wherever possible.

## **Our approach to collection of Council Tax**

It is our duty to maximise Council Tax income for the benefit of all residents living in Harrow. We will take a 'firm but fair' approach to recovery and enforcement striking a balance between the need to sustain and improve the collection rate, our obligation to all residents and satisfaction of our policies and Government requirements.

## **Paying Council Tax**

The Council's financial year runs from April 1<sup>st</sup> through to March 31<sup>st</sup> the following year. The annual bill is sent in March each year.

The Council Tax bill can be paid in either 10 or 12 monthly instalments. Customers can request to pay over 12 months but the request must be made by 1<sup>st</sup> February to ensure instalments are in place for the following financial year. If this is not requested, the legal default number of instalments is 10 from April to January. We also offer half yearly and annual schemes for all Council Tax payers.

Instalments of Council Tax are due on the 1<sup>st</sup> April and finish on either the 1st January or the 1<sup>st</sup> March dependant on whether you pay by 10 or 12 monthly instalments. In some circumstances Council Tax bills will be issued during the calendar year and in some of these instances the instalment could end on the 1<sup>st</sup> February or the 1<sup>st</sup> March.

We offer a variety of ways to pay the Council Tax bill to give you the opportunity to pay in the way that most suits you.

The different ways you can pay your Council Tax are:

- We encourage payment by Direct Debit. It is the cheapest way to collect payments and that helps us to reduce costs. If you pay by Direct Debit we offer various payment dates over 10 or 12 months, on the 1<sup>st</sup>, 15<sup>th</sup>, and 25<sup>th</sup> of each month. This is the only method of payment where you can pay your Council Tax later than the 1<sup>st</sup> of the month and you won't be considered to be late in your payment. This method of payment is also very secure and once set up there is no chance of the payment not being made because you have forgotten to pay. In the unlikely event that an error is made by us, or your Bank or Building Society, you have a guarantee that a full and immediate refund will be made.

Payments can be made over our 24 hour telephone line by calling the automated telephone payment service which accepts all cards except American Express and Diners Cards – call 020 8424 1220. If a Council Tax payment is made by credit card there is a transaction charge. No charge will be made if payment is by debit card.

- Pay your Council Tax online, you will need your Council Tax account number, full address details and debit/credit card.
- Online transfer (BACS) can be made by using sort code 60-10-10 (National Westminster, St Anns Road, Harrow Branch) and account number 61742473.
- Payments by cash and card can be made by using the payment kiosks at the Civic Centre between the opening hours 8.30 to 19.00 Monday – Friday.

## **Vulnerability**

We recognise that there are people who are especially vulnerable because of their circumstances. The vulnerability criteria is included at Appendix A to this policy and defines who we will consider as vulnerable and how this is reflected in the approach to debt collection. All Debt Collection Services within the Council have signed up to the vulnerability criteria.

When managing the collection of debt the fact that someone is vulnerable does not mean that they will not be required to pay their debt. We will look at each case individually and take the appropriate action dependant on the circumstances.

The Council must be aware that a person is vulnerable and all services are working together to ensure, where this information is known, it is shared as appropriate. To ensure that every opportunity is taken up to identify whether the service is dealing with a vulnerable debtor checkpoints have been put in place at key points of the recovery process. If you have been highlighted as vulnerable we will consider the case at the following key stages in the collection process and take action as appropriate:

- Summons application
- Cases sent to the Enforcement Agents
- Bankruptcy/Committal/Charging Order

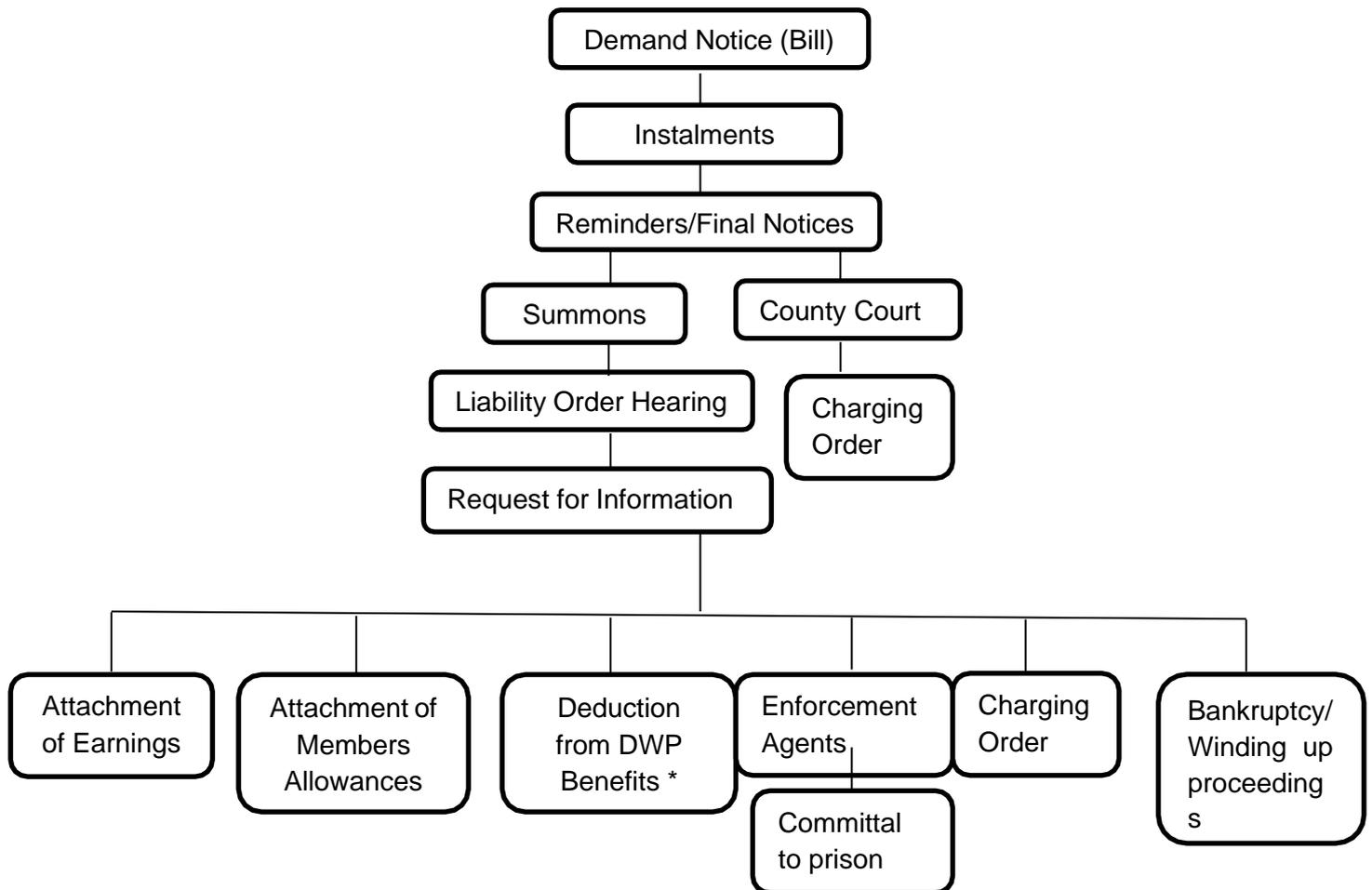
We will ensure that we maximise the take-up of benefits and work closely with Advice and Support Organisations in Harrow to ensure that you are given good quality information and support as required.

We will review the vulnerability data at a minimum on a yearly basis.

### **The Legal Framework**

The Council must follow the legal framework for the collection and recovery of Council Tax from residents in the borough as laid out in the Local Government Finance Act 1992 and Statutory Instrument SI 613, The Council Tax (Administration and Enforcement) Regulations 1992- as amended.

The framework for the collection of Council Tax debt is outlined below:



\*DWP Department for Work and Pensions

The debt will be collected from your Income Support, Job Seekers Allowance, Employment Support Allowance or Pension Credit

The Council Tax Policy sits within the Corporate Debt Collection Policy and therefore will follow any local arrangements/policies in relation to the collection of debt.

## Collection Processes

### Council Tax Bill

At the start of each financial year, in mid-March, the Council will send out the Council Tax Bill for the year April through to the following March, to everybody on the Council Tax records that is shown as being responsible for payment. This is called the Demand Notice and this will include information about all the schemes available that can reduce the amount due to the Council i.e. discounts, exemptions and Council Tax Support. This bill will be based on your circumstances known at the time and

calculated to the end of the financial year. If the Council Tax office knows your circumstances are due to change a new bill will be issued to you nearer the time of the change e.g. if you are getting a student reduction and the course is due to end. If you are receiving a reduction that you do not believe you should be getting you must notify the Council Tax office within 21 days to notify of the changes of circumstances.

The bill will also include a statement regarding any credits or outstanding amounts from previous years. If your account is in credit when the annual bill is produced, the credit will be used to reduce the future year liability. If you would prefer a refund, you will need to request it. Any outstanding amount carried forward from the previous year will need to be paid separately, as it will not be included in the new instalments.

Annual bills are extracted 2 to 3 weeks before the bills are posted. If any changes are made to the account after the bills are extracted, they will not show on the annual bill but you will be sent a revised bill. In most circumstances the revised bill will not be issued until after 1<sup>st</sup> April.

When a bill is sent out later than 30 April, for example when someone moves in part way through the financial year, then the payment period will be shorter and there will be fewer instalments.

If you are sent a closing bill, you will not receive instalments, as the full balance will become due in 14 days.

### **Council Tax Support (also know as Council Tax Reduction)**

When you are in arrears and contact us because you are unable to pay, and you are on low income, we will encourage you to apply for Council Tax Support if you have not already done so.

We will apply the same recovery process whether you are in receipt of Support or not. If a new application for support is made, or your circumstances have changed, we will continue to collect the instalments as they appeared on the last bill. Once Support is awarded, this will reduce the remaining instalments, or if the account is overpaid for the year, the credit will be used to reduce any future liability unless you request a refund.

### **The Council's approach to Council Tax Collection**

We have a legal duty to collect Council Tax. Recovery practices must be efficient and economic. Delays in collection or non-recovery of debts leads to high administrative costs and results in lower resources available for other Council services with higher charges being passed on to other residents.

Whilst we acknowledge that late or non-payment happens for many reasons regular late and non-payments by the residents of Harrow costs us thousands of pounds annually. These sums could be used to provide more services or reduce the overall Council Tax for everyone. Therefore we will diligently pursue those residents who pay late or do not pay at all, in order to maximise income and reduce the effects of increased costs.

We will, however, when assessing for the ability to pay, provide assistance to you if you are struggling to pay by signposting you to advice and support. We will also ensure that all available allowances, discounts, and support will be granted where appropriate. This will be done at the earliest possible time, in order to ensure the amount of Council Tax liability is correct.

There will be instances where you are unable to pay the full amount owed and therefore we can be contacted, at any stage in the process, to make an arrangement for payment. However we should be contacted as soon as possible to avoid further costs being added to the debt. Contacting the office will not result in recovery or enforcement agents costs being withdrawn but will allow you to make a payment arrangement (within the rules) which will make it easier to pay even at this late stage. As stated earlier in the policy, we recognise that there will be some residents who are considered especially vulnerable because of their circumstances and where this is the case we will aim to look at these cases individually, and if necessary apply a discretionary bespoke payment arrangement to facilitate payment.

### **Multiple Debts**

If you owe more than one debt to the council, you should let us know when you contact us, so that we can try and work together.

As stated earlier in the policy the Council does not have one IT system for debt collection and therefore it will be difficult for services to automatically understand whether multiple debts are owed to Council Services. For vulnerable customers, where vulnerability is known, checks will be made with the relevant service. If multiple debts are owed repayment will be discussed taking into consideration prioritisation of debt.

### **Reminders/Final Notices**

If you do not pay your instalments as they become due, we will send you a Reminder Notice to advise you of the amount of arrears. We will ask you to pay the missed instalment by a given date, normally 14 days after the date on the reminder, and to ensure that future payments are made by the due date.

If the missed instalment is received by the given date we will not take any further action; but if it remains unpaid then we will cancel the instalments and issue a summons of the full year's tax.

If the instalment is received by the given date, but another instalment is not paid, then we will send a second reminder. If the missed instalment is received by the given date we will not take any further action; but if it remains unpaid then we will cancel the instalment arrangement and issue a summons for the full year's tax.

If the account is brought up to date but falls behind for the 3<sup>rd</sup> time then we will send a Final Notice. You will automatically lose your right to pay by instalments. If that happens, the full balance on your account will become payable and failure to pay the full balance will result in Court action to enforce the payment of debt by issuing a summons for the full year's tax. A summons will cost you a further £130.00 which will be additional to the debt owed.

If your account has already been closed or the arrears relate to a previous year where you no longer have the right to pay by instalments you may receive a final notice rather than a reminder notice. At this point you have lost the right to pay by instalments and only full payment within the given period, normally 7 days, will prevent a summons being issued.

A checkpoint has been included at summons application stage and therefore where there is a personal alert on the system identifying that somebody may be vulnerable the officer will consider the case before moving forward to issue a summons.

### **Summons**

When we want to issue a summons we have to go to Court and make a Complaint stating that the Council Tax remains unpaid. If the Court agrees then the summons is issued. This work costs the Council extra money to administer and the Council also has to pay the Court a fee for each summons issued. These costs are added to the Council Tax account and therefore you would have to pay this additional cost of £130.00. When we send a summons we provide information regarding this and we ask you to contact us to discuss payment if you cannot pay in full.

On the issue of a summons a payment arrangement is offered, however in some cases we will agree to alternative payments.

### **Joint and Several Liability**

This means that we can hold two or more persons liable for the whole of the Council Tax. We may hold you jointly and severally liable if you are the joint owners or joint tenants or live in the property with other people who have the same legal interest in the property as you. We may also hold married and unmarried couples joint and severally liable, whether or not both have the same legal interest in the property. If you are treated as joint and severally liable for the whole Council Tax, you cannot

just pay what you think is your share. You are still liable for the whole of the Council Tax.

Our bills will be addressed to all the liable persons in the property however summons will be sent individually to each liable party. If payment is not made we will take action for recovery of the debt against any or all of the parties. We will endeavour to make arrangements for payment with any or all of the parties, but where we cannot make satisfactory arrangements we may continue our action against any or all of the parties.

### **What happens at Court**

When we issue the summons we tell you when the summons will be heard and where. We add on the costs of the summons and we ask for payment in full by the hearing date. If the full amount, including the costs, is paid in full before the Court Hearing no further action will be taken and the case will be noted as fully paid and no application for the liability order will be made.

A bench (panel) of lay Magistrates or a District Judge will conduct the hearing. We will provide you with information when we send the summons that tries to answer as many enquiries as possible. We cannot advise what time we may go in to Court and there may be a long wait.

We have specialist officers who conduct the Court Hearings. They are experienced and have worked consistently hard with the Court staff and officials over a period of time to ensure that the proceedings run as smoothly as possible and that they conform to the Legislative requirements in every respect.

At the court hearing we will ask the Magistrates to issue a Liability Order. If you do not have a valid defence the Court is obliged to issue the Liability Order. There are very few valid defences and these are listed below:

- There is no entry in the valuation list in relation to the dwelling
- The tax had not been properly set
- A bill and subsequent notices must have been sent in accordance with the regulations
- The amount demanded has been paid
- More than six years have elapsed since the day on which the sum became due (i.e. the date the bill was issued)
- Bankruptcy or winding up proceedings have been initiated
- Sum outstanding is in respect of a penalty which is subject of an appeal or arbitration.

If you do not attend the court hearing we will make the application for a Liability order in your absence. These orders give us powers to take further action to recover the outstanding debts.

If you are unable to pay the full amount immediately, an arrangement will be offered over a specific payment schedule or alternatively we can still be contacted to discuss an arrangement for payment, the understanding is that the application for a Liability Order and additional costs will continue to proceed. In these cases, we will not take any enforcement action on the Liability Order if the arrangement is maintained.

### **After Court**

Once a Liability Order has been granted, you will be sent an information request. You will have 14 days in which to return the income and expenditure information. The request form will ask you questions about your employment status. We will then use this information to decide the appropriate recovery action to take. This is a statutory request and if it is not returned, penalties can be issued.

If you do nothing, further recovery action will be taken (unless a payment arrangement has already been agreed with the Council prior to the Liability Order hearing). Further action will generally mean that your case will be issued to enforcement agents and this may incur substantial additional fees and charges.

Listed below are special arrangements that will be accepted at this stage:-

- Pay the full amount including costs before the Liability Order
- Split the balance including costs over the next 3 months
- Pay the missing instalments from the original bill together with the costs in one payment before the Liability Order Hearing and they can continue to pay their original instalments
- In certain circumstances an arrangement over 6 months

NB if an arrangement is agreed the Council will still apply for a Liability Order but providing the arrangement is paid on time, recovery action will be suspended

### **How we can enforce Payment**

The main ways we can enforce payment of the Council Tax debt are as follows:

**If you are working** - and we have your employers details an Attachment of Earnings Order may be sent to your employer who will make deductions from your wage/salary until the debt is cleared. If there are arrears due for more than 1 Council Tax year the Order will be made on the oldest debt first. The law allows us to make up to two Orders at a time and in some cases this will happen. The amounts to be deducted are specified in regulations. A table showing the percentage deductions will be sent to you.

**If you are claiming Universal Credit (or until this is in place you are claiming Income Support, Jobseekers Allowance, Employment Support Allowance or Pension Credit)** - a request may be sent to the Department of Work and Pensions (DWP) for deductions to be made from your Benefit. We have no discretion on the amounts deducted as they are specified in Regulations.

**Attachment to Members Allowances** - only applies to elected Members when we claim up to 40% of their allowances to clear unpaid Council Tax. This process is available in respect of an elected member of any billing authority or any major precepting authority (with the exception of the City of London and the Metropolitan Police) against who a liability order has been granted.

An Attachment Order of Members Allowances is sent to the Local Authority where you are an elected member with an instruction to make deductions from attachable allowances that are payable to you.

**Enforcement Agents** - may be instructed to remove and sell your goods to the value of the debt that you owe to Council Tax and any outstanding charges. If we hold up to date information, where possible we will try to set up an attachment to earnings or benefit or accept a payment arrangement but if we are unable to do this, most cases will be passed to Enforcement Agents.

### **Enforcement Agents Stages**

The **Compliance Stage** starts as soon as the enforcement agent receives the instruction from the council and lasts for 7 days. The fee covers all activities that are undertaken prior to the enforcement stage.

The **Enforcement Stage**. This fee covers all activities from the first attendance at the premises up to but not including the commencement of the sale stage. No particular activity is required to qualify for the fee.

The **Sale Stage**. This fee covers all activities from the first attendance at the property for the purpose of transporting goods to the place of sale or, where the sale is to take place at the property, commencement of that preparation. The goods do not have to be removed for this fee to become payable.

The above fees are recoverable from the debtor, either from the proceeds of sale or from money paid in settlement of the debt and the costs of enforcement.

The Enforcement Agents follows a strict code of conduct agreed with us and must also abide by our Terms and Conditions of their contract.

We will ensure that, as far as possible, the information the Enforcement Agent holds is as up-to-date and accurate. The Enforcement Agents are expected to behave in a fair and consistent manner and any complaints we receive are treated very seriously and investigated thoroughly. There is a separate governing body which deals with complaints about Enforcement Agents action. This is the Civil Enforcement Association (CIVEA) [www.civea.co.uk](http://www.civea.co.uk)

It is a criminal offence to interfere with an Enforcement Agent

We will ensure that, as far as possible, the information the Enforcement Agent holds is as up-to-date and accurate. The Enforcement Agents are expected to behave in a fair and consistent manner and any complaints we receive are treated very seriously and investigated thoroughly. There is a separate governing body which deals with complaints about Enforcement Agents action. Details about this are in the Enforcement Agents code of conduct on our website.

Using Enforcement Agents is not our last resort, as we can take action as shown below.

**Charging Orders** - can be used for debts of over £1000. We can apply to the County Court or High Court for a charge to be put on your property. If we are granted a charging order we can apply to the Court to force an order for sale of your property to pay the Council Tax arrears including all the costs incurred. These costs can be substantial and you could risk losing your home if this route is taken.

**Bankruptcy** - if appropriate we will also consider taking the steps to enforce payment of the debt by commencement of bankruptcy proceedings. Again this is a protracted, expensive and time consuming exercise and, similar to orders forcing the sale of your property and committal proceedings, and is only engaged if appropriate. However we have found it to be a cost effective method of recovering arrears, and in some circumstances this is the only appropriate action we can take to secure payment. The costs of this type of action will be claimed from you.

Before moving forward with bankruptcy proceedings we will consider the following factors:

- The amount of Council Tax owing
- The consequences to you and your household of a bankruptcy order
- Whether you have contacted us to discuss the arrears, or attempted to clear the arrears
- Whether you have responded to our request for information concerning your financial affairs
- Your financial circumstances, including:
  - o The value of any assets owned by you
  - o Whether you are able to make payments to 3<sup>rd</sup> parties, such as mortgage repayments, credit card payments and utilities.

We will always send a letter giving you 14 days to clear the outstanding arrears before the bankruptcy proceedings are issued. This letter will also warn you of the adverse consequences and the costs involved in bankruptcy proceedings however non-receipt of this letter will not prevent us from issuing bankruptcy proceedings.

We will consider whether bankruptcy is appropriate and will weigh in the balance evidence concerning your income including receipt of benefits.

We will always give clear timescales as to what will happen next in the event that the recovery action escalates.

We will keep records of the different actions carried out showing how the matter was eventually referred for bankruptcy following non-payment.

**Committal** – If payment has not been received then we may decide that the appropriate way forward is to apply to the Magistrates' Court for your commitment to prison. This action will only be taken forward in cases where bankruptcy or charging orders are not appropriate, and in cases where the enforcement agent has attempted to collect the debt but has been unsuccessful. Before taking this action we will advise you of our intention and again will give you another opportunity to pay in full. We will also ask again for employer information and your income details.

If Committal is taken forward it will result in the issue of a warrant which will result in your arrest and transportation to Court. At Court you will be required to explain why the tax remains unpaid. The Court will hold a full investigation into your means and circumstances and will decide whether there has been culpable neglect or wilful refusal to pay. The Court can make an arrangement to pay the debt by Court Order and may issue a suspended sentence until the sum is paid by a specific date. The Court can remit the debt or it can impose an immediate prison sentence of up to 90 days.

Before taking action to commence Committal, Insolvency or Charging Orders, the case will go before a panel for authorisation.

**All Notices are served in accordance with the legislation and this could be to the last known address. For recovery purposes the notice is considered served unless it has been returned by the Postal Services.**

***We can be contacted to discuss your Council Tax at any stage of the recovery process***

### **Absconders**

We will use whatever records are legally available to us, from various sources in order to trace you if you have vacated a property without leaving a forwarding address. Any costs incurred by us will be passed on to you.

### **Write offs**

Whilst we will always pursue the collection of outstanding debts, there will be occasions where the debt is unrecoverable. At this stage we will consider whether the debt should be written off. If a write off is required we will follow the guidance in the Council's Financial Regulations and the following authorisation process will be taken forward:

- Debts up to £10000 are to be authorised by the Service's Head of Service in accordance with any scheme of delegation in place
- Debts between £10000 and £25000 require Portfolio Holder approval; and
- Debts over £25000 require Cabinet approval

Case examples have been provided at Appendix B to help you understand the Council Tax Collection process.

### **Monitoring**

We use data collected both internally within the Council and externally with our partner agencies, debt collectors, enforcement agents, insolvency practitioners etc. to review and report on the impact of this policy and associated service specific policies and procedures.

### **Vulnerable Groups**

A customer may be considered vulnerable on a temporary or permanent basis, All Council Services will ensure records are kept updated to ensure appropriate advice and support is given. The following list identifies the groups of people that may be considered vulnerable:

#### **People with a Physical and/or Sensory Disability**

A customer who has a physical disability is not necessarily vulnerable for the purposes of debt collection, however they will be considered vulnerable if their disability prevents them from managing their financial affairs effectively and need support.

#### **Mental Illness**

A customer has a mental health need and it prevents them from managing their financial affairs effectively and need support.

#### **Learning Disability**

A customer who has a learning disability will be considered vulnerable in respect of debt collection if they are unable to manage their financial affairs effectively and need support.

#### **Autism**

A customer who has autism will be considered vulnerable in respect of debt collection if they are unable to manage their financial affairs effectively and need support.

### **Serious Illness**

A customer who has a long term serious illness or who is terminally ill, or a member of their close family, may be considered vulnerable if this affects their ability to manage their financial affairs effectively and they require support.

### **Language Difficulties**

A customer who does not understand either written or spoken English, especially where they do not have the support from family who can speak or read English

### **People with Literacy Issues**

A customer with literacy issues who does not understand written communications, especially where they do not have the support from family could be considered as vulnerable.

### **Elderly Persons**

An elderly customer, may be considered vulnerable for the purposes of debt collection. This will be in cases where they are frail, ill and living on a limited income or where they have recently suffered the death of a partner who has previously managed their family finance.

### **Families with children**

A family with children may be vulnerable if they have complex needs and are unable to manage their financial affairs effectively without support. Where the family's needs are so complex that they are allocated a Social Worker or lead professional, the family would be considered as vulnerable.

### **Young people leaving care**

Young customers leaving care and may be unable to manage their financial affairs without support and would be considered as vulnerable.

### **Homelessness**

A customer who is homeless or about to be made homeless and is unable to manage their financial circumstances would be considered as vulnerable.

### **Carers**

A customer who is a carer and is unable to manage their financial circumstances without support would be considered as vulnerable.

### **Bereavement**

A customer who has suffered a recent bereavement of a close relative could be considered vulnerable if they are unable to manage their financial affairs effectively without support.

### **Fleeing violence**

A customer who has recently been the victim of violence or hate crime could be considered vulnerable if they are unable to manage their financial affairs effectively without support.

### **Prisoners and Detainees**

Prisoners and detainees who have a debt to us and are detained will be considered as vulnerable.

### **Non-European Economic Area (EEA) and Refugees**

A customer who is a non EEA national or refugee may be considered as vulnerable if they are unable to manage their financial affairs effectively without support.

The above list identifying vulnerability is not exhaustive. If somebody is highlighted to us as vulnerable, either from internal or external communications their individual circumstances will be considered.

### **Management of financial affairs criteria**

The criteria our Debt Collection Services will consider when determining whether a person can manage their financial affairs effectively include the following:

- If the person has multiple debts
- The person has been granted support from the Emergency Relief Scheme
- Evidence provided by professionals will be considered as part of the process

As stated earlier in the policy it is acknowledged that there may be instances where vulnerability may not be identified however we are working in partnership with external agencies to ensure these instances are minimised.

We are taking forward a pilot between Council Tax Recovery and Adult Services to identify how the checkpoints for the identification of vulnerability operate and therefore the feedback from this trial will feed into the effective operation of this policy. This trial will only cover a small number of customers who may be classified as vulnerable for the purpose of this policy.

We understand that a customer's circumstances can change and therefore we will monitor the vulnerability flags on a regular basis, and at a minimum yearly, to ensure our records are up- to-date.

## **Appendix B**

### **Case Examples**

Ms. A receives her annual bill in March and her instalments run from 1 April to 1 January.

She pays her April instalment on 1 April, but does not pay her 1 May instalment. We send a reminder on 16 May asking for payment by 30 May. She still does not pay. On 1 June the instalment facility is cancelled and the full amount for the year becomes payable. We send a summons on 3 June.

If the full amount on the summons is not paid by the Court hearing date, we will ask for a liability order and if successful, examine the options for further recovery.

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Mr. B receives his annual bill in March and his instalments run from 1 April to 1 January.

He pays his April instalment on 20 April, after we send out a reminder on 17 April. He pays May, June and July on time but pays his August instalment on 21 August after we send out another reminder on 17 August.

He does not pay the September instalment. A final notice will be sent, our automated system cancels the instalment arrangement and the full amount for the year becomes due.

If we receive the full amount within 7 days, no further action is taken otherwise a summons is issued.

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Mrs. C has been sent a summons. She does not appear at Court on the hearing date and a liability order is granted.

We send her a letter advising that a liability order has been granted and warning that further recovery action will be taken in fourteen days, unless full payment is made.

She contacts us and cannot afford to pay the whole amount. She is in employment. She explains why she cannot pay in full and we agree that an arrangement or an attachment could be appropriate in this case.

We will ask for payment up to date in a lump sum and ask her to return the information request with her employer's details. We will arrange a direct debit to pay the remainder of the tax plus costs over an agreed period. Providing the direct debit payments go through as expected, no further action is taken and the direct debit

continues next year. If the direct debit is cancelled or payments are unpaid, we will make an attachment of earnings based on the employer's details.