

AGENDA ITEM 18e - Stop The Knock: local authority debt collection practices

Amendment:

1. In recommendation (iii), replace the first word 'Adopt' with 'Consider'
2. In recommendation (vi), replace the first word 'Sign' with 'Consider signing'

Therefore, the amended motion to read:

Too many Portsmouth households live in constant fear of bailiffs knocking their door. The poorest and most vulnerable suffer disproportionately from debt issues and the local authority should not be actively adding to their woes.

One in two adults with debts has a mental health problem. One in four people with a mental health problem is also in debt. Debt can cause - and be caused by - mental health problems.

Those on the lowest incomes in our city used to be eligible for Council Tax Support for up to 100% of their liability. However this level of support was cut in 2016 so now even the poorest have to pay at least 20% of their total Council Tax bill.

Despite their public service remit, local authorities have some of the most stringent debt collection practices of all creditors. Debts owed to councils often end up in court and Council Tax is the only debt where a debtor can be sentenced to a custodial sentence for non-payment.

In 2018/19, Portsmouth City Council instructed bailiffs to collect debts from individuals and businesses on 17,534 occasions - an increase of 77% since 2016/17. Of these bailiff referrals 6,011 related to Council Tax debts.

There is divergence between local authorities regarding how affordability is assessed and appropriate repayment plans calculated. The Standard Financial Statement (SFS), produced by the Money and Pensions Service, provides a consistent, fair and industry-recognised method of working out affordable repayments, for residents in financial difficulty.

Full Council supports the Money Advice Trust's campaign 'Stop The Knock' and calls on Cabinet to:

- (i) Make a clear public commitment to reduce the council's use of bailiffs over time;
- (ii) Review the council's signposting to free debt advice, including phone/online channels;
- (iii) Consider the Standard Financial Statement (SFS) to objectively assess affordability;
- (iv) Review the formal policy covering indebted residents in vulnerable circumstances;
- (v) Consider following the example set by other local authorities by exempting Council Tax Support recipients from bailiff action; and
- (vi) Consider signing the Citizens Advice/LGA 'Council Tax Protocol' and reviewing the authority's current practice against the Money and Pensions Service's 'Supportive Council Tax Recovery' Toolkit.

Proposed by (Name) Councillor Darren Sanders

Signed _____

Seconded by (Name) Councillor Gerald Vernon-Jackson

Signed _____