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Understanding the impact of Council Tax Interventions in Wales: Introduction of the Council Tax Protocol for Wales

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This document is also available in Welsh.

Understanding the impact of Council Tax Interventions in Wales:
Introduction of the Council Tax Protocol for Wales

Authors: Zoe Charlesworth, Policy in Practice, Alex Clegg, Policy
in Practice, Adam Knight-Markiegi, MEL Research

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Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government

For further information please contact:

Nerys Owens
Knowledge and Analytical Services
Welsh Government
Cathays Park
Cardiff
CF10 3NQ

Email: Research.PublicServices@gov.wales

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Glossary

Key word	Definition
Council Tax (CT)	A local tax on domestic property administered and collected by local authorities in Britain. The charge is based on the estimated value of a property.
Council Tax Reduction	A reduction of Council Tax. The amount of support is based on the income of the household and set out in a council's Council Tax Reduction Scheme.
Council Tax Relief	An umbrella term for the different types of reduction that can be applied to Council Tax.
Discount	A discount applied to the full Council Tax. This is applied to certain dwellings when some, but not all, occupants of a dwelling are exempt from Council Tax. Reductions can be 25% or 50% depending on the categories and number of exempt occupants.
Exemption	Exempt from payment of Council Tax. The classes of dwellings and persons that are provided with exemptions are set by the Welsh Government. Severe Mental Impairment is one of the exempt categories (class U).
S13A	S13A of the Local Government Finance Act 1992. Provision for a council to write-off or reduce Council Tax. Councils must have a S13A scheme but the decision regarding write-off or reduction is at the discretion of the council.
Write-off	Write-off of Council Tax refers to an amount of Council Tax that the council no longer deems due. Usually this applies when a S13A discretionary reduction is applied or when an amount can no longer be collected (e.g., death).

1. Introduction

- 1.1 In December 2021 the Welsh Government announced an ambitious package of Council Tax (CT) reforms with the objective of making the Council Tax system fairer and more progressive whilst maintaining funding for essential local services. These commitments are stated in both the Programme for Government¹ and the Cooperation Agreement². Also in December 2021 the Welsh Government announced plans to consult on measures including revaluation and reform of the tax base. The statement set out that the “options being considered this term include revaluation, a review of the Council Tax Reduction Scheme, and an evaluation of discounts, disregards, exemptions and premiums – with options for more fundamental reform in the longer term³. ”
- 1.2 The previous Welsh Government (2016 - 2021) began the process of reform by introducing in 2019, amongst other actions, four key interventions that worked within the current Council Tax framework:
- The removal of the sanction of imprisonment for non-payment of Council Tax
 - The introduction of the Council Tax Protocol for Wales – Good practice in collection of council tax⁴. This is a voluntary code of practice for enforcement and support of those with Council Tax debt and implementation was agreed with all Welsh councils
 - Standardisation of the application process for those with a ‘severe mental impairment.’ This involved councils adopting a common application process and standardisation of information provided about the exemption
 - Legislation that provided an exemption for care leavers from Council Tax until their 25th birthday with the aim of assisting their transition to adulthood

¹ [Welsh Government, Programme for Government – Update](#)

² [Welsh Government, Programme for Government – Update](#)

³ [Welsh Government, Council Tax reform planned](#)

⁴ [Welsh Government, Council Tax Protocol for Wales - Good Practice in Collection of Council Tax](#)

1.3 In 2022 the Welsh Government commissioned Policy in Practice to undertake research with two key objectives:

- To evaluate local implementation and delivery of the four Council Tax intervention measures introduced in 2019.
- To evaluate the impact of these measures on residents and councils.

1.4 For ease of use, findings in respect of the four interventions are provided in four separate reports. This report evaluates the introduction of the Council Tax Protocol for Wales.

2. Background

- 2.1 There has been longstanding concern amongst welfare support and advice agencies about the debt collection policies of councils. Citizens Advice estimated that a third of the debt collection issues they supported clients in England and Wales in 2016 were in relation to Council Tax debt⁵. Council Tax debt can escalate rapidly; regulation governing Council Tax collection means that a single missed payment can result in liability for the full year's charge. In addition, councils have limited powers to recover debt without a court order. The cost of a court order and the use of enforcement agents is added to the debt, leading to an escalation of debt crisis⁶.
- 2.2 Research by Policy in Practice for the Greater London Authority (GLA)⁷ in 2020 showed that requiring immediate full payment of Council Tax after a single missed instalment led to more than half (53%) of all households that were represented in the datasets of London Boroughs experiencing an income shortfall. Adding recovery and enforcement fees to this financial burden raised the percentage of households in financial shortfall to 83%.
- 2.3 In 2018 research by the Joseph Rowntree Foundation on destitution in the UK⁸ highlighted the role that uncoordinated debt collection practices by public authorities can play in leaving households with practically nothing to live on. Rent and Council Tax arrears were identified as two prominent causes of destitution.
- 2.4 Since 2014 the debt collection practices of councils compared poorly to that of the private sector. Practice in the private sector is now generally more customer-centric than in parts of the public sector. In 2014 the Government transformed the regulation of the consumer credit sector through the transfer of accountability from the Office of Fair Trading to the Financial Conduct Authority (FCA). The FCA code

⁵ [Citizens Advice, The Cost of Collection](#)

⁶ [Citizens Advice, The Cost of Collection](#)

⁷ [Policy in Practice, Council Tax debt collection and low-income Londoners](#)

⁸ [JRF, Destitution in the UK](#)

of practice provides a customer-centric approach, with support where appropriate, and with fairness at the heart of recovery action.

- 2.5 For councils, there is a tension between the wish to support low-income households and the need to protect their budgets. Councils may be resistant to adopting new practices where they believe collection rates could be compromised.
- 2.6 In 2016 the Welsh Government carried out research⁹ to better understand the approach of Welsh councils to Council Tax debt collection and what a better approach could look like. The findings showed an acknowledgement within councils that the ability to collect Council Tax was affected by local economic factors and the ability to pay. Most councils stated that they segment debtors to identify accounts that may not be suitable for recovery via the standard enforcement route. Nevertheless, the research reported variation in the extent to which councils proactively identified and engaged with vulnerable residents, and the advice sector reported variation about how good councils were at identifying vulnerable households.

Although the research found that the majority of councils stated that they signposted to debt advice and support services evidence from the advice sector pointed to a lack of information and support provision. The evidence suggested that provision of information and signposting, particularly online, is inconsistent across Welsh councils.

- 2.7 One of the recommendations from the research was that Welsh councils should implement an agreed collection and arrears management policy with minimum standards. The policy should include expectations about how Welsh councils work with enforcement agents, the advice sector and other relevant third parties. A further recommendation was that signposting information and advice should be clear, easily accessible and consistent across all communication channels.

⁹ [Welsh Government, Local Authorities' Approaches to Council Tax Debt Recovery in Wales](#)

- 2.8 To address some of the concerns raised around Council Tax collection policies and the impact that this has on low-income debtors, the Welsh Government introduced The Council Tax Protocol for Wales¹⁰ which sets out minimum standards and an agreed Council Tax collection and arrears management policy. The Protocol was guided by research commissioned by the Welsh Government in 2016 and by existing Protocols such as the Council Tax Arrears Good Practice Protocol developed by Citizens Advice¹¹. The provisions within the Protocol were endorsed by Welsh councils and the Welsh Local Government Association and signed in January 2019 by all Welsh councils.
- 2.9 The Protocol covers three principal areas:
- Partnership working across all agencies involved in supporting vulnerable people to manage their Council Tax liabilities and debt
 - Information provided across all media
 - Recovery actions undertaken
- 2.10 The Protocol recognises the need for additional support to help vulnerable customers engage with the council or enforcement agents at any stage of the process. One of the key requirements of the Protocol is that each council provides effective support for vulnerable people in managing their Council Tax liability and offers suitable support should they fall into debt.
- 2.11 However there has been concern (e.g., from Citizens Advice Wales¹²) that, because the Protocol is voluntary, it may not be being applied uniformly across Welsh councils. In November 2021 the Welsh Parliament Equality and Social Justice Committee gathered evidence from witnesses about debt during the pandemic. The resulting report “Debt and the pandemic”¹³ carried calls for the Council Tax Protocol to be strengthened. Karen Davies from Purple Shoots (a microfinance charity) called for a national framework and Citizens Advice called for the Welsh

¹⁰ [Welsh Government, Council Tax Protocol for Wales - Good Practice in Collection of Council Tax,](#)

¹¹ [Citizens Advice, Collection of Council Tax arrears good practice protocol](#)

¹² [Citizens Advice, Helping to ensure a fairer Council Tax system in Wales](#)

¹³ [Welsh parliament Equality & Social Justice Committee, Debt and the pandemic](#)

Government to evaluate the Protocol. The Committee had concerns about the uniform application of the Protocol and stated that “the evidence we received suggests that while, on the whole, local authorities are collecting arrears in a responsible way, there were concerning reports of pockets of bad practice which we think merit further attention.” They stated that the review should include looking at whether the Protocol needs strengthening, including whether there is merit in placing the Protocol on a statutory footing.

- 2.12 During oral evidence to the Welsh Parliament Equality and Social Justice Committee the Minister confirmed that the Welsh Government would be undertaking a review of all the actions being taken to “alleviate pressure on vulnerable people in relation to Council Tax” and that this would include a review of the Protocol.

3. **Approach**

- 3.1 The research for this report took place in 2022. Findings from this research are drawn from desk-based research, quantitative analysis and fieldwork consisting of a survey of council officers and interviews with third party organisations.
- 3.2 Desk-based research synthesises existing research findings and examines Welsh council websites in order to evaluate adherence to the Council Tax Protocol for Wales. This informs an understanding of uniformity of implementation across councils and identifies good practice.
- 3.3 Statistical and data analysis are used to understand whether the level of write-offs and approach to S13A payments of Council Tax arrears has changed due to the introduction of the Council Tax Protocol for Wales.
- 3.4 Surveys, interviews and discussions with stakeholders and care leavers provide evidence of implementation of the Protocol, the level of uniformity of application of the Protocol across Council, evidence of impact and context to findings.

4. Methodology

Primary evaluation of the implementation of the Council Tax Protocol

4.1 The Council Tax Protocol for Wales includes the following provisions:

“Local Authorities and Enforcement Agents should publicise local and national debt advice contact details on their websites.

All parties should aim to work together to review and promote better engagement with Council Taxpayers, this should include:

- a. Information on how bills can be reduced through reliefs, exemptions, and the Council Tax Reduction Scheme;*
- b. How taxpayers should contact the Local Authority if they experience financial hardship; and*
- c. The consequences of allowing priority debts to accumulate.”*

4.2 Websites of all 22 Welsh councils were reviewed to see if adherence to the Protocol is evidenced through the website. Signposting to debt support, financial hardship support and ease of contact regarding Council Tax arrears are used as proxies for adherence to the Protocol. The review of council websites sought to inform the following research questions:

- Does the council provide signposting to debt support?
- Does the council have clear instructions on support for financial hardship?
- Is there evidence of good practice in supporting residents facing financial hardship?
- Is it easy to access information regarding exemptions, reliefs, and Council Tax support?

4.3 To compare Council Tax written off in 2021 – 2022 with the adherence to the Protocol as evidenced through website features, each council is given a score from 0-3 (in 0.5 steps). 1 point is given for meeting each of the following features: information on what to do if a resident had difficulty paying, information on how to inform the council about difficulty paying and signposting to debt collectors. If a condition was partially met a score of 0.5 was given.

4.4 Websites were reviewed between June and October 2022 and may have been updated since then.

Statistical Impact analysis

4.5 Statistical analysis of the impact of the introduction of the Council Tax Protocol for Wales is challenging due to two key factors:

- There is no centrally collated published data on enforcement activities by councils
- The COVID-19 pandemic (2019 – 2021) highly affected collection activities of councils and this is likely to obscure any change in collection practices due to the introduction of the Protocol

4.6 Published data is available on the amount of Council Tax written off each year by councils and this can be used to indicate whether Welsh councils are adopting a change in their approach to collection and the use of S13A discretionary relief to support vulnerable households. Stats Wales data set “Council Tax collection rates, by billing authority (£ thousand), Amounts written off during year” is used to inform trends in write-offs.

Survey and Interview Data

4.7 Primary quantitative and qualitative data collected through online surveys and interviews were analysed to inform both the process and impact evaluation. Fieldwork methodology and a list of survey participants is provided at Appendix 1.

4.8 Each Welsh council was surveyed to gather their understanding of the four Council Tax interventions. Specific questions addressed the implementation of the Council Tax Protocol and its impact. All councils were invited to take part and surveys were disseminated primarily to the Revenues and Benefit Manager. There were 23 responses to the survey from 14 councils. Survey questions are provided at Appendix 2.

4.9 Semi structured interviews were held with third party agencies in order to gather views on the implementation and impact of the Council Tax Protocol. The Welsh Local Government Association, Mind Cymru, the Bevan Foundation and Citizens

Advice Wales were interviewed. Interviews took approximately an hour and were semi structured.

- 4.10 The survey, interviews and round table discussion provided a descriptive snapshot of the awareness, experience and impact of the Council Tax Protocol.

5. **Findings: Implementation of the Council Tax Protocol**

Introduction

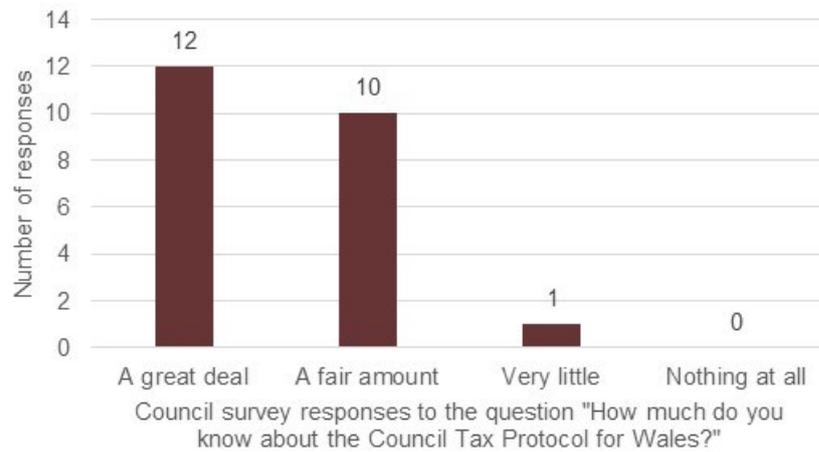
5.1 To understand the level of implementation of the Council Tax Protocol across Welsh councils, fieldwork and primary research were employed.

- A survey of council officers sought to understand the experience of implementing the Council Tax Protocol for Wales
- Interviews with Citizen Advice Wales, The Welsh Local Government Association (WLGA), Mind Cymru and the Bevan Foundation sought to understand the experience of uniformity of implementation of the Protocol
- Welsh council websites were evaluated to evidence implementation of the Protocol. The research evaluated measures included within the Protocol such as signposting to debt support, signposting to support with financial difficulty, and ease of access to reduction of a Council Tax bill through Council Tax reliefs, exemptions and the Council Tax Reduction Scheme

Experience of Welsh councils in implementing the Protocol

5.2 A survey of Welsh councils sought to understand the level of awareness of the Council Tax Protocol across councils. Awareness appeared to be high with the majority of respondents (96%) stating that they knew a great deal or a fair amount about the Protocol. Only one respondent stated that they needed further training on the Protocol.

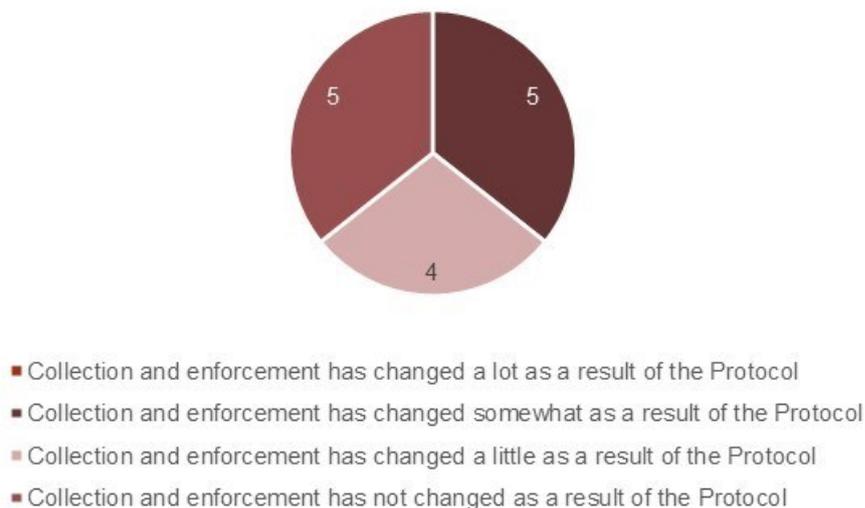
Figure 1: Response to a survey question “How much do you know about the Council Tax Protocol for Wales?”



(Source: Survey of Welsh councils, 23 total responses)

5.3 Councils were asked to identify how much the council’s approach to Council Tax collection and enforcement had changed as a result of the Protocol. The majority of councils responding to the survey stated that the council’s approach had not changed at all or had changed a little. No council stated that the introduction of the Protocol had led to a lot of change in enforcement and collection activities.

Figure 2: Response to the survey question “How much has the council’s enforcement and collection activities changed as a result of the Protocol?”



(Source: Survey of Welsh councils, 14 total responses)

5.4 Five council respondents stated that they had received no training on the Protocol. The remainder had received training, typically delivered in-house. A number of councils stated that guidance is provided in addition to training.

5.5 Councils responding to the survey identified that the primary support for implementation of the Protocol was through the guidance issued with the Protocol and through sharing of practice through the Welsh Local Government Association.

5.6 The relationship with enforcement agents was seen as important in enabling effective implementation of good practice in collection and enforcement, whether this was through avoiding use of external enforcement agencies or regular liaison.

“[Implementation is helped by] having a clear strategy of avoiding enforcement agents as much as possible.”

“[Implementation is helped by] regular meetings with our Enforcement Agents.”

(Survey responses from Welsh Councils)

5.7 Survey responses from Welsh councils suggest minimal implementation of change in Council Tax enforcement or collection measures following the introduction of the Council Tax Protocol. The majority of Welsh councils did not feel that specific

implementation of the Protocol was necessary or required by the council as the practices were already in place prior to the introduction of the Protocol.

“Most aspects of the Protocol were already being implemented by LA's.”

“All of the practices were already in place prior to the Protocol document being produced.”

“We were already following what is stated in the Protocol.”

(Survey responses from Welsh councils)

- 5.8 All councils stated that they had measures in place to help vulnerable residents and to include consideration of vulnerability within the council's Council Tax collection and enforcement activity. The vast majority of councils stated that this practice was in place before the introduction of the Council Tax Protocol and that it has not been introduced or changed because of the Protocol.

“We have always tried to support all types of people whatever their circumstances while still trying to achieve our own goals of collecting the tax.”

“We haven't changed anything; we have always been proactive at identifying vulnerable residents.”

“The Protocol made no difference to how we operate [with regards to vulnerable residents].”

“The council works with other service providers and its enforcement agents to identify vulnerable debtors in order that appropriate support can be provided.”

“We were already working sensibly in this area anyhow.”

(Survey responses from Welsh councils)

- 5.9 All councils stated that their enforcement agents or internal enforcement officers identified vulnerability. One council stated that the council has selected an ethical enforcement agency that works closely with the council to identify vulnerability.

“We work very closely with our enforcement agents. They are a very ethical company who are heavily trained in vulnerability. Often they support us in identifying vulnerability which wouldn’t have otherwise been identified. Cases are returned back to us when appropriate. The nature of the vulnerability is important, and they will consider a reduced arrangement or refer to their own welfare team.”

(Survey response from a Welsh council)

- 5.10 A number of councils had set up referral arrangements for holistic support when enforcement agents identified vulnerability. Agencies to which vulnerable residents were referred included the council’s own welfare team, the enforcement agent’s internal welfare team and external support agencies (such as Citizens Advice).

“[The enforcement agents] would refer them to their welfare team and notify us of the client’s vulnerability.”

“[The enforcement agents] place a hold on the account, seek further advice, and refer to specialist agencies if appropriate, or they refer to the welfare team.”

“The enforcement agents have a specialist team to deal with vulnerability and in all cases identified, recovery action is placed on hold in order to provide any appropriate assistance.”

“[The enforcement agents] refer the individual to local Citizens Advice Bureau (CAB) workers. They have a very close relationship with the agency, [with] monthly meetings to discuss cases.”

(Survey responses from Welsh councils)

Third Party View of the implementation of the Protocol

- 5.11 Third party organisations interviewed as part of this research felt that implementation of the Protocol has not led to uniformity of practice in Council Tax collection and enforcement across Welsh councils, and that a ‘postcode lottery’ around Council Tax collection and enforcement still exists across Wales.

Citizens Advice Wales welcomed the introduction of the Council Tax Protocol but felt that the patchy implementation indicated a need for a statutory code or stronger guidance.

“The elements need to be stronger and more binding, more statutory to have consistency across councils. [It’s] still a real patchwork of adherence to the Protocol across councils and within councils.”

“[There are] one or two councils that are consistently quite poor at this. These councils come down harder on people and are more likely to use enforcement agents.”

“[It is a] mixed bag in terms of how councils identify vulnerability. Councils need the same approach to begin with.”

“Some councils have a supportive ethos whilst others look at bottom line, and are mostly concerned with getting money in.”

(Citizens Advice Wales)

- 5.12 Citizens Advice Wales stated that inconsistency in approach to collection and enforcement is not just between councils but also *within* councils. They mentioned a number of examples where clients had been given different advice by different members of staff at the same council. The different members of staff had different approaches to stages of enforcement, support of the resident and willingness to make affordable payment arrangements.
- 5.13 The Bevan Foundation supported the view that there is still a lack of uniformity across Welsh councils about Council Tax arrears collection and enforcement. They stated that some councils start enforcement as soon as someone is in arrears without checking whether they would be eligible for Council Tax support or other support. Other councils provided a more holistic approach to debt recovery. The Bevan Foundation also noted that the use of data to proactively support low-income people differed between councils. Some councils responded to a DWP notification of receipt of Universal Credit by automatically awarding, or inviting an application to, Council Tax support, whilst other councils left it to the resident to proactively seek any support they may be eligible for. This second approach risked Council Tax

arrears and the commencement of enforcement action, prior to identification of the resident as potentially being eligible for support.

Barriers to implementing the Council Tax Protocol

5.14 A number of barriers to implementation were identified:

- Legislation governing collection of Council Tax is old and sometimes works against councils' ability to assist vulnerable households.

“The Protocol can only go so far. The legislation on collection dates back 30 years and needs updating for today and to make it fairer, for example a person becomes liable for the full bill once they miss one payment. The WLGA is supporting changing legislation around this.”

(Citizens Advice, Wales)

- The Welsh Local Government Association (WLGA) said that there is a need for greater data sharing with councils and by councils in order to identify those who are eligible for support or vulnerable. They were concerned that the rollout of Universal Credit had reduced a council's visibility of their low-income or vulnerable population. The WLGA advocated for a change of legislation to ensure greater data sharing was possible. They felt that without this it was left to residents to seek support and that this may only occur at a late stage in enforcement processes.

“Councils had a lot more control when it was Council Tax Benefit and Housing Benefit. [It is now] a perfect storm of people not understanding their entitlement to support.”

(Welsh Local Government Association)

- The pressure on councils to maintain in-year collection rates was seen as a barrier to the implementation of the Protocol's recommendation to spread repayment of arrears across years.

“The Protocol says you can pay beyond the financial year; but there are internal pressures to collect money in-year. If someone hasn't got money to pay £100 per month, they may be able to pay £10 per month over a longer time. Councils are

reluctant to spread repayment over financial years, but it makes debt repayment more affordable”

(The Bevan Foundation)

- Lack of training and guidance was seen as a barrier to implementing the most relevant debt solution for a resident.

“Councils need better training around consistency and vulnerability”

(Citizens Advice Wales)

- Third party organisations identified that the internal organisation within a council could be a barrier to uniformity of collection practices, particularly if the enforcement or collection departments were separate from the department responsible for providing support within the council. The Bevan Foundation said that their experience was that if the departments were geographically close there was more uniformity. Separation of activity led to more discrepancies.

Both Citizens Advice Wales and the Bevan Foundation felt strongly that uniformity of approach to arrears and collection of Council Tax would best be achieved if the approach was placed on a statutory basis.

“Without a statutory basis implementation that relies on the whims of councils and bailiffs rather than “clear effective guidance” from the top. Best practice isn’t policed.”

(Mind Cymru)

“Elements need to be stronger and more binding, more statutory; for consistency across councils”

(Citizens Advice Wales)

Website evidence of the implementation of the Council Tax Protocol

- 5.15 A number of provisions of the Council Tax Protocol can be evidenced through the information available on a council’s website. The Council Tax Protocol specifically requires councils to signpost to debt support, provide financial hardship support and ensure ease of access to information on exemptions, reliefs and Council Tax

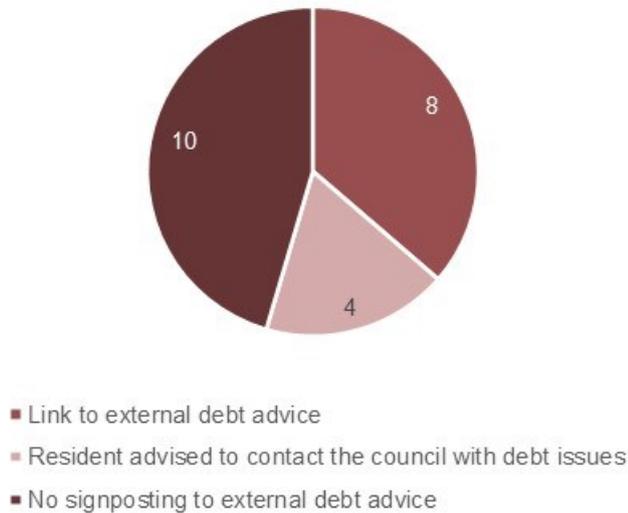
support. Website provision of these elements would suggest that a council meets at least some of the Protocol requirements.

- 5.16 Primary research consisting of an examination of Welsh council websites was undertaken as part of this evaluation. In June 2022 all Welsh council websites were evaluated to evidence implementation of Protocol measures around debt support, financial support and accessibility.

Website provision of signposting to debt support

- 5.17 At the time of the website review, 14 of the 22 councils signposted to debt advice; 10 of these signposted to external agencies and four advised residents to contact the council if they have debt problems. It is not known whether residents who contact the council through this route are directed to experienced debt advisors or directed to make arrangements for repayment of council debt only. Ten council websites did not provide any advice or signposting regarding debt.

Figure 3: Welsh council websites with signposting to debt support

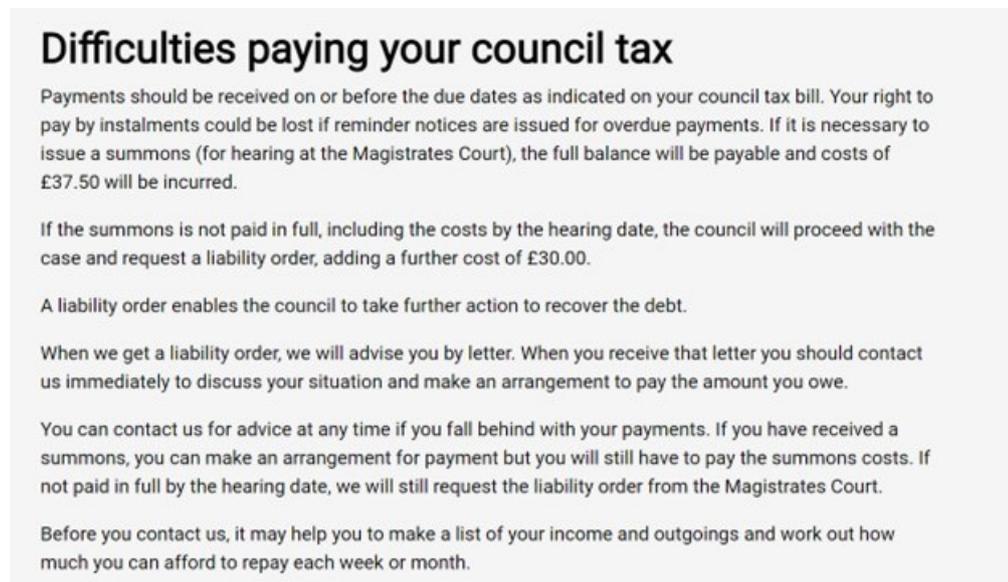


(Source: Website survey of 22 Welsh councils)

Website provision of signposting to support for financial difficulty

- 5.18 Fourteen councils provided signposting to support for financial difficulty, the remaining eight appeared to have no advice about actions to take by those experiencing financial hardship.
- 5.19 Poor practice was evident in a couple of councils where the “Difficulty Paying” selection directed to a page listing enforcement action rather than signposting for assistance. An example taken from a Welsh council website is shown in Figure 4.

Figure 4: Illustration from a Welsh council website listing enforcement processes as advice for users facing difficulty paying their Council Tax



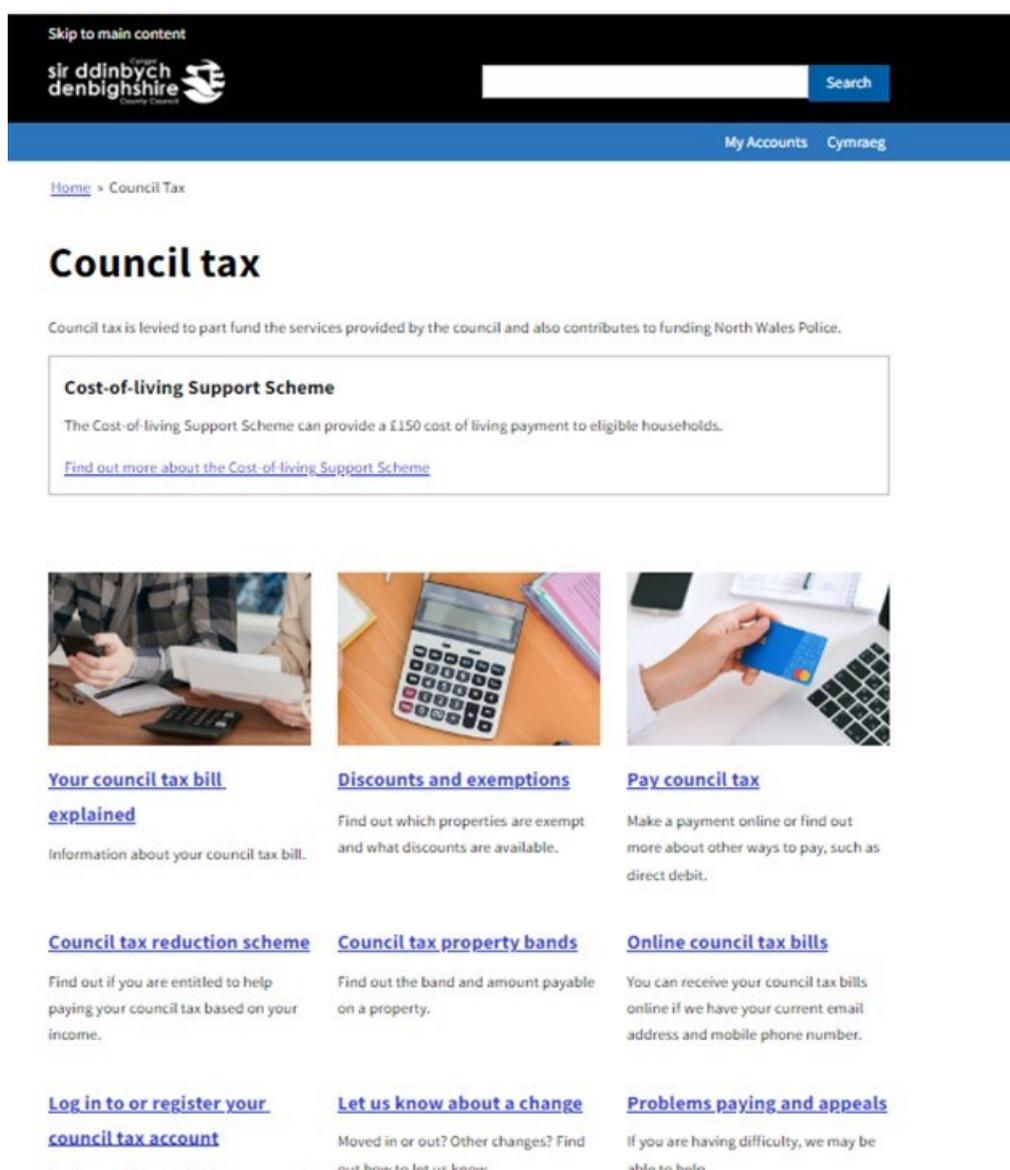
Website evidence of ease of accessibility to information on reducing Council Tax

5.20 The Protocol states that councils will ensure ease of access to support with Council Tax reliefs, exemptions and Council Tax Reduction. One of main accessibility issues, common to the majority of websites, was navigating the path to information on eligibility to support with Council Tax.

- The terminology “Reduction,” “Discounts” or “Exemptions” is used differently between councils. For example, eligibility to a 25% discount could be accessed through exemptions in some councils, support in another, and discounts in another
- Council Tax Reduction is often a separate category. It is questionable whether a resident would know that this relates to support for households on low income rather than is an additional exemption based on the characteristics of a dwelling or resident
- Council Tax Reduction information is sometimes accessed through the Housing Benefit option. If a resident is not eligible for Housing Benefit they are unlikely to select this option

5.21 A resident may need to go down numerous web paths before accessing the required information on exemptions, discounts or Council Tax Reduction. Typically a definition of the terminology used is not supplied until a user has accessed the selected option. Access to information on reducing Council Tax is eased by classing discounts and exemptions together, including Council Tax Reduction within the Council Tax webpage (in addition to the Housing or Housing Benefit page), and providing a brief definition to assist selection. An example of this approach, taken from Denbighshire Council's website is shown in Figure 5.

Figure 5: Illustration of the provision of definition for Council Tax support options taken from the website of Denbighshire Council

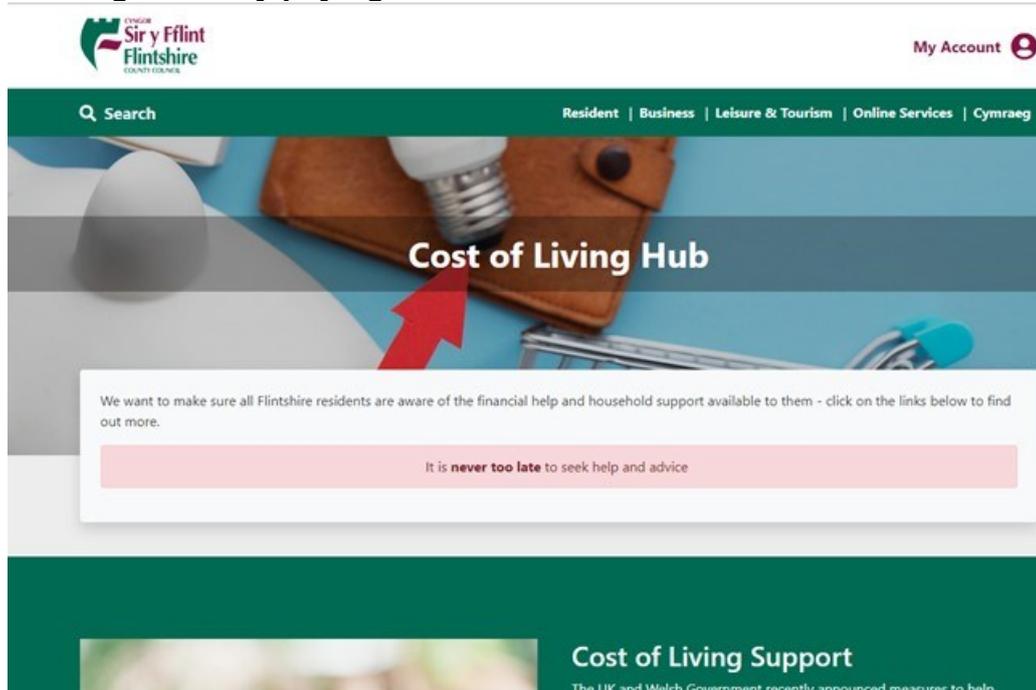


Good Practice of Protocol measures on council websites

5.22 Eight councils provided both signposting for debt advice and advice for those facing financial hardship. These were Caerphilly, Cardiff, Conwy, Denbighshire, Flintshire, Gwynedd, Neath Port Talbot and Newport councils. There were some notable examples of good practice:

- Caerphilly Council displays “Problems paying your bill?” prominently on the Council Tax home page. Selection of this option returns a page advising early contact with the council, how to claim Council Tax Reduction, signposting to debt and advice agencies and a list of consequences if the customer takes no action
- Flintshire Council set out clearly that the council can help, this is provided throughout relevant web pages and is illustrated in Figure 6.

Figure 6: Illustration from Flintshire Council’s website encouraging engagement with households having difficulty paying their Council Tax





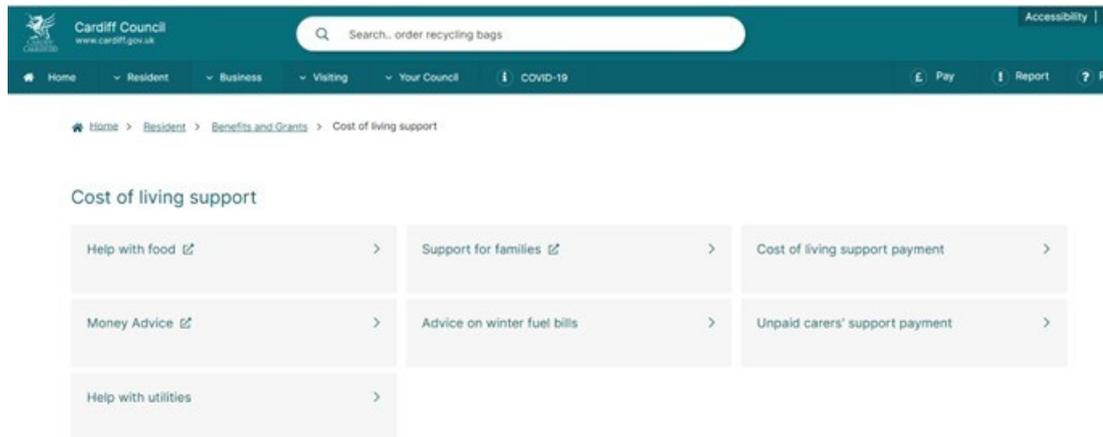
- Flintshire Council also sets out a “Fair Debt Policy” which is easy to access and download from its website¹⁴
- Newport Council’s Benefit and Council Tax page¹⁵ lists types of help available before a description of enforcement action, thereby underlining the council’s role in support provision
- Vale of Glamorgan Council includes an application for S13A Council Tax discretionary support on its Council Tax page¹⁶
- Denbighshire Council provides a live chat function directly accessible from the “problems paying Council Tax” page
- Cardiff Council has a Cost of Living support page with options based on the type of support that the resident may need. This is illustrated in Figure 7

¹⁴ [Flintshire Council Fair Debt Policy](#)

¹⁵ [Newport Council: Council Tax and Benefits web-page](#)

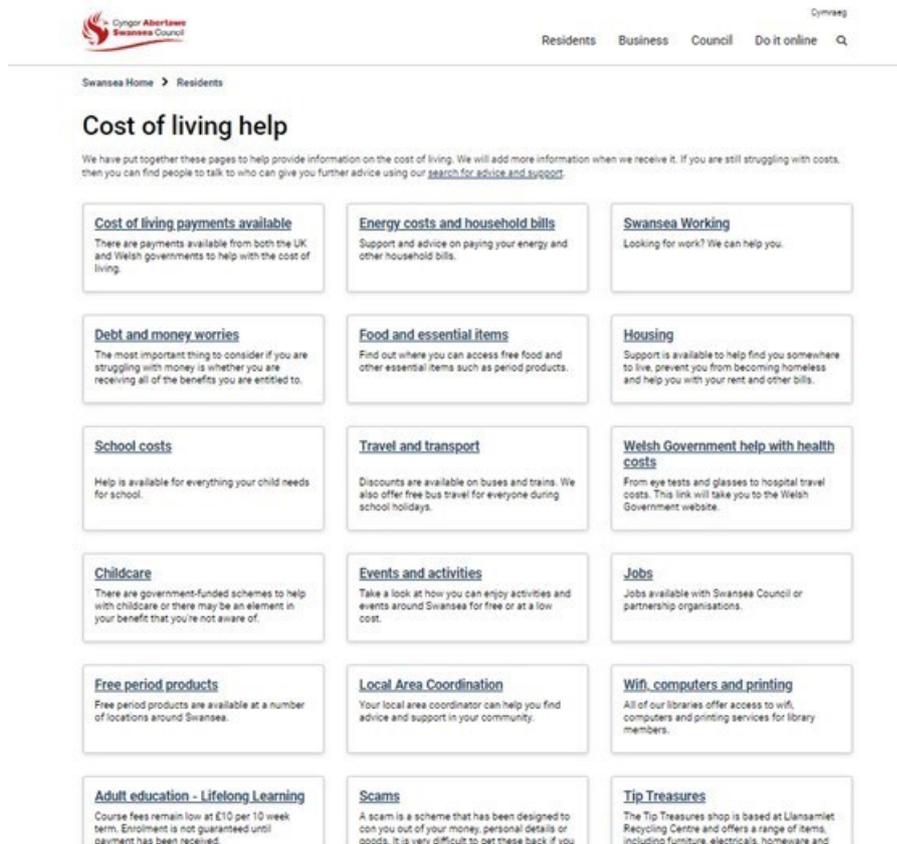
¹⁶ [Vale of Glamorgan Council website: Council Tax Remission Section](#)

Figure 7: Illustration from Cardiff Council’s website with support paths defined by type of support required



5.23 The first review of Welsh council websites was carried out in June 2022. Revisiting websites in November 2022 suggested a change in the provision of support information. Many councils are now adopting a “cost of living” hub which draws together financial and debt support information with support around employment, utilities, food, health costs and emergency support. The example in Figure 8 illustrates this approach from Swansea Council.

Figure 8: Illustration from the Cost of Living web page from Swansea Council's website



5.24 Council's support for residents due to the cost of living crisis align with the objectives for signposting and accessibility that are contained within the Council Tax Protocol, even where this information is not directly accessible from Council Tax webpages.

6. Findings: Impact of the Council Tax Protocol

Fieldwork evidence for the impact of the Council Tax Protocol

- 6.1 The majority of councils responding to the survey felt that the Council Tax Protocol had been effective. A number of councils mentioned that although the measures were effective, these were in place prior to the introduction of the Protocol and were not put in place as a result of the Protocol. Councils felt that the most effective elements were the introduction of consistency across councils in Wales and a focus on exploring all options to debt recovery. Councils welcomed the clarity on procedure and practice.

“The Protocol clearly sets out the procedures that both local authorities and enforcement agents should follow.”

“It has made things clearer about how councils operate although some external organisations tend to demonise councils in respect of Council Tax collection”

(Survey responses from Welsh councils)

One council felt that the Protocol was ineffective and unnecessary as the measures were already in place.

- 6.2 Councils did not think that the Council Tax Protocol has had an impact on relationships with third party organisations that support residents in debt or financial hardship. A number of councils mentioned that good referral arrangements and joint working with third party organisations were in place prior to the introduction of the Protocol. One council felt that the Council Tax Protocol had negatively affected relationships with the local Citizens Advice as the Citizens Advice expected rigid adherence to the Protocol in all cases.

“Citizens Advice uses the Protocol to instruct us to take certain actions even when they are not appropriate. Some interpret it as legislation. This can prevent an open conversation and can give false perception of what action may be taken. The Protocol seems to have broken down relationships with CA due to their aggressive nature around how we must adhere to the Protocol, which we do, but we look at each case on its own merits in a holistic view, rather than one debt.”

- 6.3 Third party organisations were generally supportive of the Council Tax Protocol but reported that there had been little impact on Council Tax collection and enforcement practices as a result of its introduction. They were supportive of putting in place a statutory basis to Council Tax collection practices, or stronger guidance, to ensure uniformity of practice.

“[!] question why it’s a voluntary code rather than a requirement; it needs to be made mandatory; to ensure things are done in the right way, in the right order, with as much compassion as possible. Statutory means consistency and provides a recourse to people”

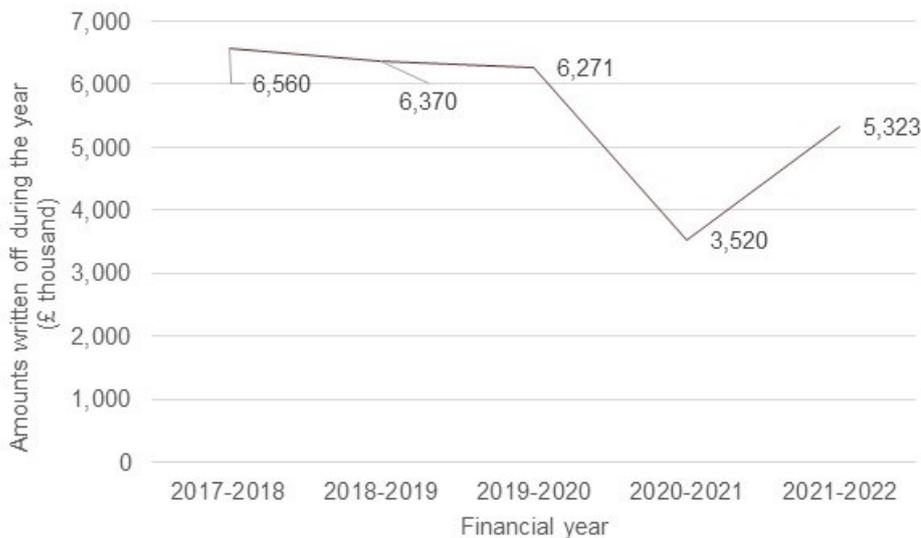
(Mind Cymru)

Statistical evidence of the impact of the Council Tax Protocol

- 6.4 There is little statistical evidence for the impact of the Council Tax Protocol as data on Council Tax enforcement and collection is not centrally collected or publicly available. In addition, since the introduction of the Protocol in 2019 - 2020, Council Tax collection activities across Welsh councils have been affected by both COVID-19 and the cost of living crisis. Although there is no public data on enforcement activity, there is data on the amount of Council Tax written off by councils. Councils following the Protocol and actively identifying vulnerability might be expected to write-off a higher level of Council Tax debt due to non-collection from vulnerable residents.
- 6.5 The trend in the amount of Council Tax debt written off over time is shown in Figure 9. Since the introduction of the Protocol the level of write-off of Council Tax debt has primarily been affected by COVID-19. This shows a fall of 52% in the amount of Council Tax debt written off between 2019 - 2020 to 2020 – 2021, followed by an increase in 2021-2022. This is similar to the pattern in England where the amount written off fell by 24% between 2019 - 2020 and 2020 – 2021. The Department for Levelling Up, Housing and Communities (DLHC) reported that some local

authorities' decisions to write-off Council Tax debts "have been delayed due to the temporary pause or reduction of recovery action"¹⁷.

Figure 9: Council Tax written off (all years) by all Welsh councils 2017-18 to 2021-2022

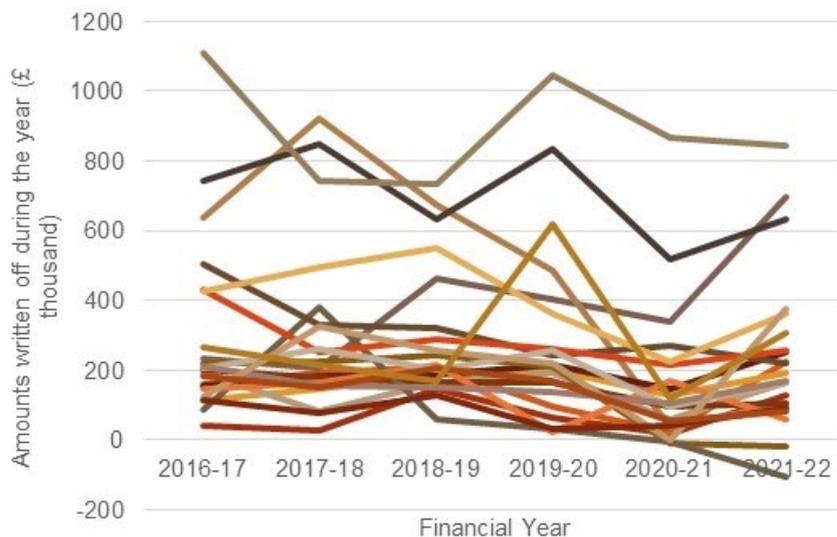


(Source: StatsWales, Council tax collection rates by billing authority (£ thousand), filtered by type of income; amounts written off during the year)

6.6 The pattern of the write-off of Council Tax debt since 2017 is not consistent across councils with three councils seeing an increase in Council Tax debt write-off (all year write-off) between 2019 - 2020 and 2020 - 2021. This is likely to reflect internal council policies and the council's reaction to interruption of business due to COVID-19. Write-off of historic debt is subject to financial decisions within a council and so variation between councils is expected. Negative write-off of debt can occur when Council Tax written off in previous financial years is subsequently recovered in the current year.

¹⁷ DLHC, Collection rates and receipts of Council Tax and non-domestic rates in England 2020-21 (Revised), 2021

Figure 10: Council Tax written off by Welsh councils 2017-2018 to 2021-2022

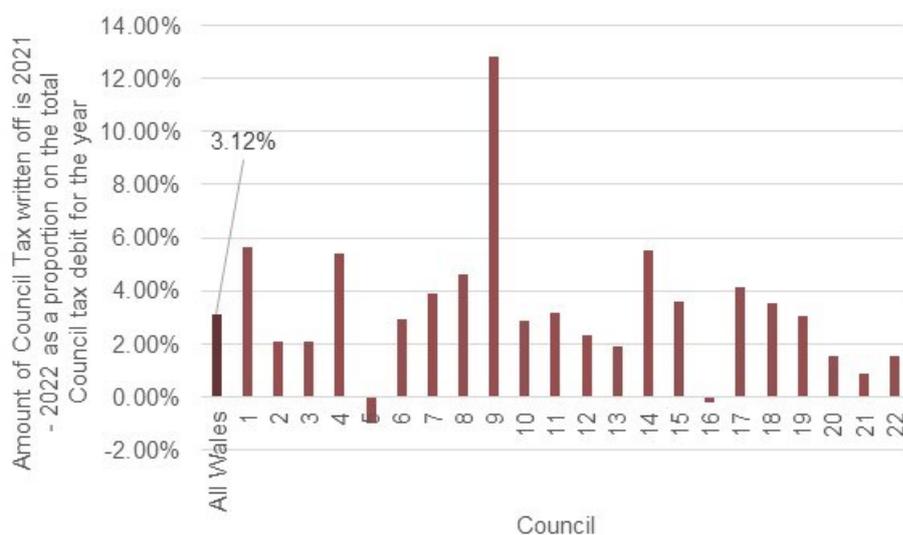


(Source: Stats Wales, Council Tax collection rates, by billing authority (£ thousand), Amounts written off during year)

6.7 The proportion of Council Tax debt written off in 2021 - 2022 (all year write-off), as a proportion of the total Council Tax debt for the year, is fairly uniform across councils in Wales. In 2022 – 2022 the average proportion of Council Tax written off as a proportion of the total Council Tax debit for the year was 3.12%. The range across Welsh councils was -0.98% to 12.8%. Flintshire was the only significant outlier¹⁸ with the level of Council Tax written off representing 12.8% of the total Council Tax debit for the year.

¹⁸ Flintshire Z = 3.46, critical level of Z = 2.76. P<0.05.

Figure 11: Council Tax written off as a proportion of the total Council Tax debt for the year in 2021 – 2022 for all Welsh councils

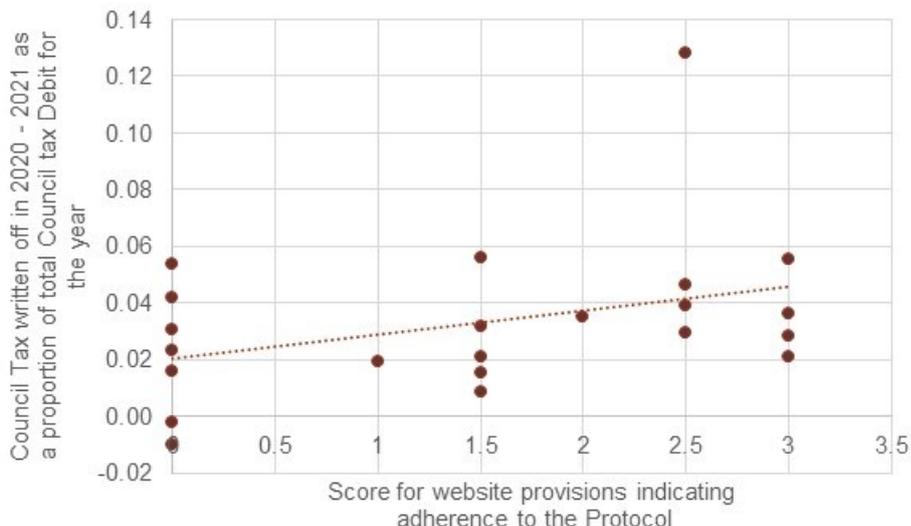


(Source: Stats Wales, Council Tax collection rates, by billing authority (£ thousand), council tax collected in year, amounts written off during year)

- 6.8 The variation in trends over time of the amount of Council Tax written off across councils suggests that the introduction of the Council Tax Protocol in 2019 has had a minimal impact on the level of debt written off. Any impact from the introduction of the Protocol is masked by larger drivers such as COVID-19, the cost of living crisis and internal council decisions on historic debt.
- 6.9 There is a weak correlation¹⁹ between the proportion of Council Tax written off in 2021 – 2022 and the score for website indicators of adherence to the Protocol (see the Methodology section for further information on scoring). It is likely that where specific council objectives exist to support vulnerable residents results are visible in both good information provision regarding support and greater write-off of debt for vulnerable residents.

¹⁹ ($r=.40$)

Figure 12: The relationship between the proportion of Council Tax written off and website indicators of Protocol adherence



(Source: Website indicators of Protocol adherence from a survey of websites of all Welsh councils. Proportion written off from Stats Wales dataset; Council Tax collection rates, by billing authority (£ thousand), Council Tax collected in year and amounts written off during year)

- 6.10 The weak correlation of Council Tax debt write-off with other indicators of adherence to the Council Tax Protocol is also likely to reflect write-off due to vulnerability being only a small proportion of total Council Tax write-offs. The survey of Welsh councils confirms this. Councils stated that the main reason for write-off of Council Tax debt is that there are no further avenues for collection, the main cause being the death of the debtor. Write-off of Council Tax under S13A powers appears to be minor. Only two councils mentioned S13A exceptional circumstances and vulnerability as a key reason for write-off of Council Tax.

- 6.11 The Council Tax Protocol expects councils to use their S13A powers to write-off Council Tax in cases of exceptional hardship. Two thirds of the councils that responded to the survey stated that the council has a written S13A policy. However, no council had updated this policy following the introduction of the Council Tax Protocol. The use of S13A discretionary relief appears to be extremely varied between councils. Some councils stated that circumstances have to be extreme to qualify for relief. Some S13A policies exclude those in receipt of DWP means-tested benefits or where a person is entitled to benefits but had not known to claim. Other

councils included much wider definitions including hardship, vulnerability or emergency. Two of the councils stated that exceptional circumstances was deliberately left undefined to allow the council to make individual discretionary awards based on vulnerability, hardship and prevention of harm.

7. Summary of Findings

Key findings: Implementation of the Council Tax Protocol for Wales

- 7.1 Councils report a high level of awareness of the Council Tax Protocol.
- 7.2 The Council Tax Protocol has led to little change in councils' approach to Council Tax collection and enforcement. The majority of councils stated that measures included within the Protocol were already in place before the introduction of the Protocol in 2019.
- 7.3 Councils felt that they had good relationships in place with enforcement agents as outlined in the Protocol. All councils felt that their enforcement agents identified vulnerability and acted appropriately in response to identified needs.
- 7.4 All councils stated that processes were in place for support or referral following identification of need. Typically, they stated that these arrangements were in place prior to the introduction of the Protocol.
- 7.5 The Bevan Foundation, Citizens Advice Wales and Mind Cymru were concerned that lack of uniformity of practice continued to exist between councils and within councils. Lack of uniformity was identified in a number of areas including the willingness to make arrangements that suit the debtor, the strictness of enforcement, the identification of support needs (particularly CTR) and the use of data to identify vulnerable residents.
- 7.6 Barriers to implementation of the Council Tax Protocol include:
- Out of date legislation governing collection and enforcement
 - Data sharing
 - The pressure of maintaining in-year collection rates
 - Lack of training and guidance
 - The internal organisation of a council
- 7.7 Some council websites do not include measures included within the Council Tax Protocol. Less than half of Welsh councils provide signposting to debt support or financial support.

7.8 There is evidence of good practice on website accessibility to support mechanisms from a number of Welsh councils. These are identified within the report.

Key findings: Impact of the Council Tax Protocol for Wales

7.9 Councils typically stated that the measures included within the Council Tax Protocol were already in place and so the introduction of the Protocol had little impact on collection and enforcement activities. Nevertheless, councils felt the Protocol had been generally effective. The most useful element to councils was the clarity over procedures.

7.10 In general, councils did not feel the need to change relationships with third party organisations or enforcement agents due to the Council Tax Protocol. Appropriate relationships and liaison were already in place prior to the introduction of the Protocol. Councils felt that their enforcement agents had appropriate measures in place to identify vulnerability and respond accordingly.

7.11 Third party organisations were supportive of the Protocol but felt that it had made little impact on collection and enforcement activity within councils.

7.12 There is little statistical evidence of the impact of the Council Tax Protocol. This is primarily due to the lack of available data on enforcement activity and the masking of impact by COVID-19 and the cost of living crisis. Even so there is a weak correlation between website indicators of adherence to the Protocol and write-off of Council Tax debt.

7.13 Councils have typically not amended their S13A policies to take account of the measures within the Council Tax Protocol. For some councils this may be due to these measures already being included within the council's S13A policy. For other councils this is due to their S13A policy being very strictly defined.

8. Conclusion

- 8.1 Councils and third party organisations report little change in Council Tax collection and enforcement activity as a result of the Council Tax Protocol. Most councils felt that the measures outlined in the Protocol were already in place within their council prior to the introduction of the Protocol. These included practices around identifying vulnerability, working with third party organisations or around the role of enforcement agents in identifying vulnerability.
- 8.2 There is a significant mismatch between the experience of third party organisations and councils in the level of adherence to the Council Tax Protocol. A number of third party organisations evidenced lack of uniformity both across councils and within councils. Evidence from this research points to lack of uniformity across councils in a number of areas including strictness of enforcement, willingness to make payment arrangements, identification of vulnerability through data, website adherence to the Protocol and the use of S13A discretion.
- 8.3 There are a number of barriers to better implementation of the Council Tax Protocol. Some of these may be overcome through the rollout of good practice. For example, the level of internal use of data sharing and the identification of potential CTR recipients varies significantly across councils, or the updating of websites to include Protocol measures. Overcoming other barriers may be more challenging and require legislative change. For example, facilitating of increased data sharing between organisations, or across council departments, and the need to update collection and enforcement legislation.
- 8.4 This research suggests that there are cultural and organisational barriers to amending collection practices for vulnerable residents within some councils. This is illustrated by the variation in website support provision, S13A provision and the correlation, albeit weak, between write-off of debt and evidence of website adherence to the Protocol. Councils varied significantly in the level to which they felt that support for vulnerability was part of collection activity. This difference could be caused by many things such as the council's view of its role in supporting low-income households, pressure to maintain in-year collection rates and a departmental organisation that creates barriers to more joined up working. Given

the pressure on councils to maintain services and a likely increasing workload due to the number of residents who have difficulty in paying Council Tax it is not surprising that some councils focus heavily on collection as opposed to support.

- 8.5 There is clear evidence of good practice across many councils. A number of councils clearly state on their websites that they are there to assist residents facing financial hardship. Some councils are responding to the cost of living crisis with website hubs that signpost residents to available support. Although these hubs were not introduced in response to the Protocol they clearly support the measures of the Protocol.
- 8.6 Each council will focus on its own practices, and within the council these may be considered sufficient to meet the Council Tax Protocol. Seeking out and applying good practice is voluntary. If the Welsh Government and Welsh councils wish to ensure uniformity of approach to Council Tax enforcement and collection this may require a legislative framework. If this is not possible or desired, more detailed guidance may be useful. Given the pressure on councils, implementation of change is likely to have a resource implication.

9. **Recommendations**

- 9.1 Councils should ensure that all websites contain information on support for those who are in financial difficulty or who are vulnerable. Websites should contain the full list of possible support mechanisms including S13A reductions. The path to support could usefully be reviewed to ensure that residents can easily access information. The confusion around paths for discounts, exemptions and Council Tax Reduction creates barriers to accessing relevant information.
- 9.2 Councils should review how they use data received through the DWP data share. This can be used to automatically award Council Tax Reduction or to engage with households in receipt of Universal Credit and invite applications for Council Tax Reduction. Collection and enforcement could use this data to identify those who cannot pay as opposed to those who won't.
- 9.3 The Welsh Government should review whether legislation around collection and enforcement can be amended to prevent councils being tied to a particular path of enforcement activity.
- 9.4 The Welsh Government should work with Welsh councils to identify data that can be usefully shared within the council and between organisations that can support identification of residents who may need support. Sharing of data may require additional legislation.
- 9.5 Councils should review their S13A policies to align with the measures within the Council Tax Protocol.
- 9.6 If the Welsh Government desires to pursue uniformity in Council Tax collection and enforcement across Wales it should work with Welsh councils to strengthen existing provision or consider introduction of legislation around collection and enforcement activities.

10. Appendices

Appendix 1: Fieldwork Methodology

M·E·L Research used an online survey of Welsh councils using Forsta Plus to gather views. Participants were contacted as a member of the Welsh Revenues and Benefits Management Group or via the Welsh Local Government Association as a member of staff involved in the collection of Council Tax or support of vulnerable residents. People were invited to take part via email from these two routes, with a link to the online survey. Participation was voluntary and responses were anonymous. The survey took place in August and September 2022.

Third party interviews were conducted by M·E·L Research with a selection of organisations involved with one or more of four Council Tax interventions. Potential participants were identified using public sources (e.g., organisational websites, LinkedIn) and invited to take part in an online interview. These were semi-structured interviews taking place remotely (via Teams). They took place from August to October 2022.

Participating councils

Blaenau Gwent, Bridgend, Caerphilly, Cardiff, Carmarthenshire, Denbighshire, Flintshire, Gwynedd, Newport, Powys, Rhondda Cynon Taf, Swansea, Vale of Glamorgan, Wrexham

Council roles of responding officers

Recovery Officer, Corporate Taxation and Debt Lead, Council Tax Manager, Enforcement manager, Head of Revenues, Head of Service, Head of Service (Revenues and Benefits), Income and Awards Manager, Income Collection Manager, Operational Manager, Revenue Services Manager, Revenues Manager, Senior Council Tax Team Leader, Service Delivery Manager, Service Manager Revenues, Tax Manager

Appendix 2: Survey of Welsh councils – questions relating to the Council Tax Protocol

About you

1. Which local authority do you work in?
2. What is your job title?

Understanding of the interventions

3. How much would you say you know about the Council Tax Good Practice Protocol?
A great deal/A fair amount/Very little/Nothing at all
- 3a. Do you feel you need additional training or information about the Council Tax Good Practice Protocol? Yes/No

Questions about the good practice Protocol

4. To what extent is your council following the good practice Protocol? (Fully/ Partially/ Not at all/ Don't know)
5. What training have you received on the use and application of the good practice Protocol?
6. How has the good practice Protocol influenced the way you identify and support vulnerable debtors?
7. Has there been any change in your relationship with third party agencies, such as specialist charities, as a result of the good practice Protocol?
8. To what extent would you say the good practice Protocol has changed the way in which your local authority collects and enforces Council Tax? (A lot/ Somewhat/ A little/ Not at all)
9. How would you rate the efforts of your local authority to promote use of the good practice Protocol?
10. What, if anything, has supported the implementation of the good practice Protocol?

11. What barriers, if any, have you faced in implementing the good practice Protocol?
12. What would your enforcement agents do if they identified potential vulnerability?
13. What do you feel has been the most effective element of the good practice Protocol?
14. What do you feel has been the least effective element of the good practice Protocol?
15. What has been the impact, if any, of the COVID-19 pandemic on this intervention?

Questions about Section 13A discretion and write-off

16. To what extent, if any, is your local authority using your discretion under Section 13A to reduce the amount of tax payable? (A great deal/ Somewhat/ A little/ Not at all/ Don't know)
17. Do you have a policy or guidance on the use of discretion under Section 13A?
18. In what circumstances would you typically use this discretion to reduce the tax payable?
19. Do you have a policy or guidance on the option to write-off Council Tax arrears?
20. In what circumstances would you typically write-off Council Tax arrears?
21. What has been the impact, if any, of the COVID-19 pandemic on the use of section 13A discretion or write-offs?