



Bankruptcy for Council Tax

Capita's Bankruptcy module for Council Tax extends the recovery process to enable local authorities to administer petitions for bankruptcy with the minimum of effort.

The inclusion of bankruptcy in the recovery 'kit bag' has become increasingly common in recent years as a final attempt to recover unpaid council tax. This is illustrated by the fact that in 2005/2006 local authorities were the petitioners in 25% of bankruptcy cases*.

However, many local authorities are administering their bankruptcy processes manually, leading to bankruptcy becoming a time-consuming and resource intensive process, reducing its use as an effective method of recovery.

The Bankruptcy module addresses this by expanding the recovery process within Capita's Council Tax right through to bankruptcy. It allows users to select and record cases for bankruptcy, issue statutory demand notifications and create arrangements in respect of the bankruptcy cases.

Benefits

- Improved visibility – staff can easily identify what stage an account is at in the bankruptcy process as all data is stored in one place with defined enforcement statuses
- Reduced administration – built-in templates speed up tasks such as preparing documents. The need to transfer data outside Capita's Council Tax application is also eliminated
- Improved accuracy – the re-keying of data is eliminated whilst built-in validation ensures that cases selected for bankruptcy meet the minimum legal criteria
- Improved recovery rates – by reducing the overhead of the recovery team, staff time is freed to focus on recovering debts rather than administration
- Better deterrent – the use of bankruptcy becomes a real option for a local authority, increasing the number of petitions that can be raised which act as a deterrent to other council tax non-payers.

"The Bankruptcy module has streamlined our bankruptcy administration. The time taken to create a statutory demand has been reduced by 10-15 minutes. Information about the bankruptcy is stored alongside other council tax information improving departmental communication and reducing the chance of error."

Stan Goldsack, Local Taxation Manager, Sevenoaks District Council

To find out more about the Bankruptcy module for Capita's Council Tax application please contact your Account Manager.

*Source: The Observer, Sunday August 5th, 2007.