

OVERVIEW AND SCRUTINY COMMISSION

Agenda Item 60

Brighton & Hove City Council

Subject: Council Tax Collection Policy
Date of Meeting: 15th December 2009
Report of: Director of Finance & Resources
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Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report outlines how the council approaches its dual responsibilities towards its citizens of maximising the income from local tax collection while having appropriate regard to the welfare and financial hardship of those who have to pay.
- 1.2 The report has been produced at the request of the commission. The commission wishes to obtain a fuller understanding of the service being provided, including the council's approach to recovery of council tax arrears.

2. RECOMMENDATIONS:

- 2.1 It is recommended that the commission notes the contents of the report

3. BACKGROUND INFORMATION

3.1 Corporate debt collection policy

The Revenues and Benefits service operates its debt recovery activities within the Council's overarching framework for the efficient and responsible collection of different types of debt. The corporate debt and recovery policy was approved by the Finance Management Sub-Committee on 21 September 2007. The key aims of this policy are as follows:

- *To develop a corporate approach towards sharing debtor information across collection teams and managing multiple debts owed to the council.*
- *To use cost effective and fair collection and recovery practices in the pursuance of all debts owed to the council, ensuring that those with the means to pay do pay.*
- *To ensure a professional, consistent and timely approach to recovery action across all of the council's functions.*
- *To consider fully the debtors circumstances and ability to pay and so distinguish between the debtor who won't pay and the debtor who genuinely can't pay.*
- *To improve the levels of income collected by the council and reduce levels of arrears.*
- *To ensure that debts are managed in accordance with legislative provisions and best practice.*
- *To treat individuals consistently and fairly regardless of age, sex, race, gender, disability and sexual orientation and to ensure that individual's rights under Data Protection and Human Rights legislation are protected.*

The policy also states the corporate aims in relation to fair debt collection and recovery practices including:

- *Ensuring that bills are accurate, timely and clear.*
- *Providing appropriate and easy payment methods.*
- *Encouraging people who fall into arrears to contact us and agree to payment arrangements appropriate to their circumstances.*
- *Helping to reduce the effect of debt on people on low incomes by informing people of the general availability of income-related benefits such as Job Seekers' Allowance, Income Support, Working Families Tax Credit, Pension credit and disability related allowances etc. and by trying to ensure that maximum benefit take-up occurs.*
- *Advising people where they can get independent advice with financial problems (e.g. Citizens Advice Bureau (CAB) or Brighton & Hove Credit Union).*
- *Identifying deliberate non-payers or those who delay payment and taking timely and effective enforcement action.*

3.2 Service philosophy

In April 2007 the Benefits and Revenues services were amalgamated under one service head. Subsequently, over the last two years, there has been a fundamental review of the council tax service. A key to the cultural change that has taken place has been a redefinition of the purpose of the service with an increased emphasis on customer service. The function of the service is not just to collect money on behalf of the Council. The majority of citizens accept their responsibility to pay taxes. It is the service's role to make this as

painless and convenient as possible. Staff have been trained to maximize the value of first customer contact so new taxpayers are set-up to make regular and affordable payments using a payment method best suited to them. We seek to assist customers in avoiding getting into arrears and avoiding additional costs. We have also moved away from a Performance Indicator driven emphasis on in-year collection to making arrangements that are affordable, sustainable and prevent the customer from falling into a repeat pattern of accumulating arrears.

Overall this contributes to a long-term strategy to increase the level of tax collected and therefore contribute positively to the council's financial strategy. By securing regular payment and minimising problems for our 'good' customers we can concentrate our resources on those who struggle to effectively engage with the service and the small minority that try and evade payment. It is progression in these last two areas that will ultimately improve collection.

3.3 Operational changes / service reviews

The service has subsequently been subject to three operational reviews. These have been working through all aspects of council tax administration to identify best practice, eliminate inefficiency, improve the customer experience and compliment the service philosophy. The reviews were sequential. Two, the payment review and the recovery review are complete. The third, the enforcement review is currently in progress.

Revenues and Benefit officers under the guidance of a senior officer project board conducted the reviews. The project board agreed the final recommendations and the timetable for implementation. All the recommendations submitted to the project board were considered to be aligned to the objectives and requirements of the corporate debt policy and therefore were not escalated for political approval.

The first review, the payment review, looked in depth at the payment options open to customers and the initial process of billing customers and setting up records. The second review, the recovery review looked to identify a best practice model on how to effectively chase up unpaid debt and the most effective allocation of resources for this purpose. The final review, the enforcement review, is also focusing on establishing a best practice model, this time in respect of hard to recover debt. Considering customer welfare and equality of service has been an integral part of all the reviews.

Examples of positive changes are attached as appendix 1

3.4 Customer welfare

The Revenues & Benefits service has recently attained a Customer Service Excellence (CSE) award, only the second service in the Council to receive this accolade. This is probably the highest independent assurance the Council can have that the service is committed to and delivering a high level of customer care. The inspection process is vigorous and demands evidence of a demonstrable cultural, strategic and resource commitment to improving customer experience. The detailed requirements are attached as appendix 2.

A fundamental part of the CSE inspection is looking at how we respond to customer feedback. This is particularly important in terms of making sure letters and notices are effective. The Revenues and Benefit service has an ongoing review group that regularly reviews documents to account for changing best practice and customer suggestions.

One of the successes of joining the Benefit and Revenues services has been the strengthening of the support provided to council tax payers with financial difficulties. Benefit officers have come in and supported and trained their council tax colleagues. A new training programme has been developed to ensure staff are confident to deal with debt recovery situations, can recognize when a customer has potential difficulties, can signpost them to support services or advisory agencies and set up payment plans that are realistic and sustainable considering the customers circumstances.

Combining the Revenues & Benefits services has enhanced the effective promotion of council tax benefit. Approximately one fifth of all council tax payers are credited with benefit, which means a reduced liability or not having to pay at all.

There are varying national estimates of the percentage of households who would be eligible but do not claim a council tax benefit entitlement. It is widely regarded as one of the most under claimed benefits in percentage terms, but not monetary as the entitlements are relatively low. The benefit service has been praised by the CLG (Communities & Local Government) and within the CSE inspection for its pro-active approach to benefit take-up. It has officers out in the field working in conjunction with other services, The Pension Service, Strategic Housing and Adult Social Care to identify potential benefit entitlements.

3.5 Council Tax as a priority debt

Independent debt advisors, such as CAB (Citizens Advice Bureau), always advise their customers to treat Council Tax as a priority debt. In comparison to utility costs, bank loans and credit card debts, the additional financial penalties relating to falling into arrears accumulate more quickly and the punitive measures rapidly escalate.

When individuals are faced with difficult decisions regarding how to prioritise payment, it is our responsibility to ensure the requirement to pay council tax is emphasised. Creating a perception that council tax payment can be delayed or is less important than other financial commitments is disadvantageous for our customers and disadvantageous for us in terms of efficient tax collection. There is also the issue that once arrears accumulate to certain levels the situation becomes irretrievable and the customer is on a downward spiral of accumulating additional costs and suffering further financial hardship. Therefore ensuring prompt and accurate payment is beneficial to both the customer and ourselves.

3.6 Key legislative requirements regarding payment

The legislation is designed to aid the assured collection of a council tax liability within the same financial year. Technically a council tax liability is due in full on the 1st April with the only alternative option being an agreement to pay in 10 instalments between April and January. Any failure to adhere to the instalment plan means the right to pay by instalments is lost and the full amount is due. If the full amount becomes overdue there is a prescribed escalation of recovery action and the council is entitled to charge appropriate costs for their efforts. In keeping with previous local taxation schemes, the escalation of collection action is rapid and the council's powers of enforcement severe. Unfortunately this appears to be a necessary requirement of local taxation where certainty of collection within a definite timeframe is absolutely essential to local government financial stability.

We, like every council, have to convert this legislation into a practical and effective administration. For us this involves large scale processing of 125,000 live accounts at any one time and by necessity there has to be a high degree of automation. However we are dealing with real people and there is a flexibility and cultural understanding within the service that makes us responsive to the needs of the individual.

3.7 What we do when customers do not pay on time

The majority of our customers adhere to their payment plans and we need to do nothing further than send the initial bill and set up the initial instalments. Over the last two years there has been considerable emphasis on direct debit (DD) as a payment method. It is the most cost effective and customer convenient method of payment and research has shown a strong correlation between percentage of DD payers and successful in year collection. While, because of our customer base, the amount of shared accommodation and high level of short term occupancy, we may never achieve the levels of DD take-up of the high performing Councils, we have significantly improved performance in this area with over 65% of customers now paying by DD.(see appendix 3)

The first response the council makes to an unpaid liability is the sending of a reminder letter. The purpose of this letter is to bring a customer back on track and encourage them to engage with us so we can help them to do this. The Recovery Review identified that the previous practice, that some customers could be two instalments behind before a reminder was sent, was out of kilter with best practice. We identified a comparator group of 35 authorities, including ourselves, and we were one of only two authorities that did not send a reminder after a failure to pay a first instalment (and the only one in Sussex).

There are good reasons why early reminders are good practice;

- By waiting until a taxpayer is two instalments behind, we are not helping people avoid debt or recovery action (and therefore extra cost); it is harder to find £200 to cover two instalments than £100 for one.
- By sending out timely reminders we are helping customers with fixed incomes even out their expenditure and manage their finances more effectively.
- In a city with a transient population, it is important that we act quickly to maximise collection before people move on; it is more difficult to collect from customers who have left the area.
- The process for addressing those who are refusing to pay is accelerated and we are therefore more likely to secure payment from them.
- Other creditors, such as utility companies, are quicker off the mark, and this could leave council tax at the back of the queue for payment when customers should treat it as a priority debt (as per CAB).

As this year is the first year of applying this best practice we expected an increase in the number of reminders sent and were geared for the extra phone calls this would generate. Therefore we have been able to advise customers accordingly and have increased DD take up considerably. The council tax in year collection rate was 0.33% above target. The collection rate as at the end of October is still 0.32% above target. (see appendix 3)

There have been some complaints, the majority of which have related to regular payers who tend to make payments towards the end of the month. This does fall foul of the legislative requirements for paying instalments but once we are aware of these cases then it is relatively easy for us to adapt our records or offer a direct debit option, which suit their needs. It is also worth

noting that we have had an increase in the number of compliments for the service. The complaints & compliment statistics are shown in appendix 4.

3.8 What we do when customers fail to respond to a reminder

The next recovery stage is the issuing of a magistrates court summons. Technically at this stage a customer loses their right to pay by instalments and starts incurring costs. However if a customer contacts us at this stage and they do not have a poor track record regarding previous years we will agree to the setting up of direct debit instalments or a single payment to get them back on track.

If there is no response to a summons then we obtain a liability order in court. By this stage the customer will definitely have additional costs to pay. Once a liability order is obtained a customer is obliged to provide us with personal and financial details that should enable us to suggest a suitable arrangement for recovery. This may mean an attachment to benefits, or earnings, or a referral to a bailiff. Very rarely, in only the most extreme cases, the Council may resort to placing a charge on a property, taking bankruptcy proceedings or seek a custodial sentence.

A more comprehensive guide to the council's recovery actions are provided on the council's website. A copy of this is shown as appendix 5.

3.9 Measuring performance

The main performance measure quoted for council tax is the percentage of in year collection i.e. the amount of tax set for the financial year collected before the end of the financial year. In terms of the council the more significant measure is the actual amount we eventually collect against the original debt. The two are not entirely separate and good performance in the one is likely to be accompanied by good performance in the other. The service's current emphasis is on overall performance because it believes that concentrating on an in year target can skew decision making on individual cases and be inefficient in the long term.

3.10 The effect of the recession

The nature of the current recession makes comparisons between the current financial year's performance and other financial years extremely difficult. It is impossible to disaggregate the effect of the recession on customers' ability to pay to properly analyse the effectiveness of recovery methods. What is certain is that many more citizens are claiming council tax benefit and that the new influx of claimants has added a new dynamic in the benefit caseload as the new customers are benefit naïve, are more likely to be in and out of work

or have variable incomes and are unaccustomed to their income levels. Changing benefit awards are a major factor in a significant increase in the number of council tax bills being sent. This in turn is likely to lead to greater numbers of reminders being sent as these customers have limited incomes and changing tax demands that they find difficult to keep track with.

4. CONSULTATION

4.1 This is an internal information report and no customers or stakeholders have been consulted in its preparation.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

5.1 The Council's budgetary requirements for the year are set out in the 12 February 2009 report entitled General Fund Revenue & Council Tax 2009/10. Council tax income represents 52% of the Council's net budget requirement for 2009/10 and therefore the efficient collection of council tax has a direct impact on the financial stability of the Council.

Legal Implications:

5.2 There is a considerable body of legislation relating to Council Tax administration and collection. The Local Government Finance Act 1992 is the principal piece of enabling legislation. Council Tax recovery procedures are provided for in The Council Tax (Administration and Enforcement) Regulations 1992 (as amended)

Equalities Implications:

5.3 The recommendations of the recovery review were subject to an equalities impact assessment.

Sustainability Implications:

5.4 The service is currently looking at options to make more of its transactions paper -free.

Crime & Disorder Implications:

5.5 Technically failure to complete a further information form at the liability order stage is a criminal act. Ultimate sanctions against non-payment are pursued under civil law.

Risk and Opportunity Management Implications:

5.6 The changes made within the service in keeping with the objectives of the corporate debt policy are designed to improve performance in a continuous and sustainable fashion.

Corporate / Citywide Implications:

5.7 The level council tax collection has a direct impact on the corporate budget, saving pressures and the setting of future council tax levels

SUPPORTING DOCUMENTATION

Appendices:

1. Positive improvements in Council Tax Administration over the past 2 years
2. CSE Requirements
3. Performance Statistics
4. Complaints and Compliments
5. Information on Council Website
6. Changes in letter design

Documents in Members' Rooms

- 1.
- 2.

Background Documents

1. Corporate Debt Policy
- 2.

Appendix 1

Positive improvements in Council Tax Administration over the past 2 years.

The following list is not exhaustive but covers the main areas of improvement within the service with the past 2 years. Most but not all of the improvements have come as a result of the best practice reviews. The motivation of all these changes is the dual objective of improving the customer experience of the service while improving collection.

Staff training – staff have undergone a programme of training to give them specific debt recovery and negotiation skills, customer welfare awareness, benefit awareness and customer service skills / telephone techniques. A 6-month induction training and support programme has been devised for new staff.

Welfare support – Staff are benefit trained and council tax benefit is heavily promoted. A fast tracking system has been set-up to deal with new CTB claims referred by council tax officers. The service has direct links to benefit officer doing partnership outreach work in Housing Strategy and Adult Social Care to arrange welfare visits to particularly needy customers. We also work with other council services, particularly housing management to agree sustainable arrangements for multi-debt customers.

Direct debit – The service organised a promotional campaign for direct debit, has set up additional direct debit dates, added a 12 instalment option and introduced incentives. Staff promote DD as an option at every customer contact, with a recognition that it is not a suitable option for all.

Sustainable payment arrangements – previously the emphasis was on making payment arrangements that maximized the income to the council in the current year. Now the emphasis is on making sustainable arrangements that the customer can maintain so they avoid a repeat pattern of suffering summons/liability order enforcement costs year on year. To this end staff have been given license to extend repayment arrangements to a maximum of two additional years plus the remainder of the current year.

Revised cost allocations – within the limited discretion we have cost have been revised so they escalate later in the recovery process and are less onerous on those who make arrangements to pay.

Revised website information – The council tax section of the website has been completely revamped to provide customers with better self help information and access to forms on-line.

Document redesign – The bill and all the main forms and letters have been redesigned to make them more understandable and customer friendly. The bill is now produced under a new contract at reduced cost.

Phone team – The service has been restructured and now has a dedicated phone team to handle incoming calls. The allocation of staff to this team is flexible and profiled to recognised peaks and troughs.

Rescheduling of bill runs and reminder runs – based on best practice site experience. Bills are now produced more frequently and reminders are timelier to prevent customers falling in arrears and give customers more instalments over which they can pay in-year. This is particularly relevant to our demography where there is a high level of transition. New customers receive their bills earlier and those leaving the area are caught early before they disappear without trace.

Resetting of minimum financial levels - In line with identified best practice reminders and summons are now sent out promptly for a lower level of debt to prevent the accumulation of debt, enable early intervention to set up affordable arrangements and to improve collection.

Changing work dynamics. – Home working and mobile working have been introduced. GIS technology is being used to make outside officers more effective. Officers now work in partnership with university staff to gather information about students and with housing regarding arrears

Customer Service Excellence requirements

Listed below are the service standards for the recognition of a Customer Service Excellence Award. Following a vigorous inspection and evidence based evaluation the Council's Revenues & Benefits service were recognized as achieving this standard.

Criteria 1: Customer Insight

1.1 *Customer Identification*

- 1.1.1 We have an in-depth understanding of the characteristics of our current and potential customer groups based on recent and reliable information.
- 1.1.2 We have developed customer insight about our customer groups to better understand their needs and preferences.
- 1.1.3 We make particular efforts to identify hard to reach and disadvantaged groups and individuals and have developed our services in response to their specific needs.

1.2 *Engagement and Consultation*

- 1.2.1 We have a strategy for engaging and involving customers using a range of methods appropriate to the needs of identified customer groups.
- 1.2.2 We have made the consultation of customers integral to continually improving our service and we advise customers of the results and action taken.
- 1.2.3 We regularly review our strategies and opportunities for consulting and engaging with customers to ensure that the methods used are effective and provide reliable and representative results.

1.3 *Customer Satisfaction*

- 1.3.1 We use reliable and accurate methods to measure customer satisfaction on a regular basis.
- 1.3.2 We analyse and publicise satisfaction levels for the full range of customers for all main areas of our service and we have improved services as a result
- 1.3.3 We include in our measurement of satisfaction specific questions relating to key areas including those on delivery, timeliness, information, access, and the quality of customer service, as well as specific questions which are informed by customer insight.
- 1.3.4 We set challenging and stretching targets for customer satisfaction and our levels are improving.
- 1.3.5 We have made positive changes to services as a result of analysing customer experience, including improved customer journeys.

Criteria 2 : The Culture of the Organisation

2.1 *Leadership, Policy and Culture*

- 2.1.1 There is corporate commitment to putting the customer at the heart of service delivery and leaders in our organisation actively support this and advocate for customers.
- 2.1.2 We use customer insight to inform policy and strategy and to prioritise service improvement activity.

- 2.1.3 We have policies and procedures which support the right of all customers to expect excellent levels of service.
- 2.1.4 We ensure that all customers and customer groups are treated fairly and this is confirmed by feedback and the measurement of customer experience.
- 2.1.5 We protect customers' privacy both in face-to-face discussions and in the transfer and storage of customer information.
- 2.1.6 We empower and encourage all employees to actively promote and participate in the customer focused culture of our organisation.

2.2 *Staff Professionalism and Attitude*

- 2.2.1 We can demonstrate our commitment to developing and delivering customer focused services through our recruitment, training and development policies for staff.
- 2.2.2 Our staff are polite and friendly to customers and have an understanding of customer needs.
- 2.2.3 We prioritise customer focus at all levels of our organisation and evaluate individual and team commitment through the performance management system.
- 2.2.4 We can demonstrate how customer-facing staffs' insight and experience is incorporated into internal processes, policy development and service planning.
- 2.2.5 We value the contribution our staff make to delivering customer focused services, and leaders, managers and staff demonstrate these behaviours.

Criteria 3 : Information and Access

3.1 *Range of Information*

- 3.1.1 We make information about the full range of services we provide available to our customers and potential customers, including how and when people can contact us, how our services are run and who is in charge.
- 3.1.2 Where there is a charge for services, we tell our customers how much they will have to pay.

3.2 *Quality of Information*

- 3.2.1 We provide our customers with the information they need in ways which meet their needs and preferences, using a variety of appropriate channels.
- 3.2.2 We take reasonable steps to make sure our customers have received and understood the information we provide.
- 3.2.3 We have improved the range, content and quality of verbal, published and web based information we provide to ensure it is relevant and meets the needs of customers.
- 3.2.4 We can demonstrate that information we provide to our customers is accurate and complete, and that when this is not the case we advise customers when they will receive the information they requested.

3.3 *Access*

- 3.3.1 We make our services easily accessible to all customers through provision of a range of alternative channels.

- 3.3.2 We evaluate how customers interact with the organisation through access channels and we use this information to identify possible service improvements and offer better choices.
- 3.3.3 We ensure that where customers can visit our premises in person facilities are as clean and comfortable as possible.
- 3.4 ***Co-operative working with other providers, partners and communities***
- 3.4.1 We have made arrangements with other providers and partners to offer and supply co-ordinated services, and these arrangements have demonstrable benefits for our customers.
- 3.4.2 We have developed co-ordinated working arrangements with our partners that ensure customers have clear lines of accountability for quality of service.
- 3.4.3 We interact within wider communities and we can demonstrate the ways in which we support those communities.

Criteria 4: Delivery

- 4.1 ***Delivery standards***
- 4.1.1 We have challenging standards for our main services, which take account of our responsibility for delivering national and statutory standards and targets.
- 4.1.2 We monitor and meet our standards, key departmental and performance targets, and we tell our customers about our performance.
- 4.1.3 We consult and involve customers, citizens, partners and staff on the setting, reviewing and raising of our local standards.
- 4.2 ***Achieved Delivery and Outcomes***
- 4.2.1 We agree with our customers at the outset what they can expect from the service we provide.
- 4.2.2 We can demonstrate that we deliver the service we promised to individual customers and that outcomes are positive for the majority of our customers.
- 4.2.3 We can demonstrate that we benchmark our performance against that of similar or complementary organisations and have used that information to improve our service.
- 4.2.4 We have developed and learned from best practice identified within and outside our organisation, and we publish our examples externally where appropriate.
- 4.3 ***Deal effectively with problems***
- 4.3.1 We identify any dips in performance against our standards and explain these to customers, together with action we are taking to put things right and prevent further recurrence.
- 4.3.2 We have an easy to use complaints procedure, which includes a commitment to deal with problems fully and solve them wherever possible within a reasonable time limit.
- 4.3.3 We give staff training and guidance to handle complaints and to investigate them objectively, and we can demonstrate that we empower staff to put things right.
- 4.3.4 We learn from any mistakes we make by identifying patterns in formal and informal complaints and comments from customers and use this information to improve services and publicise action taken.

- 4.3.5 We regularly review and improve our complaints procedure, taking account of the views of customers, complainants and staff.
- 4.3.6 We ensure that the outcome of the complaint process for customers (whose complaint is upheld) is satisfactory for them.

Criteria 5: Timeliness and Quality of Service

5.1 *Standards for Timeliness and Quality*

- 5.1.1 We set appropriate and measurable standards for the timeliness of response for all forms of customer contact including phone calls, letters, e-communications and personal callers.
- 5.1.2 We set comprehensive standards for all aspects of the quality of customer service to be expected in all dealings with our organisation.

5.2 *Timely Outcomes*

- 5.2.1 We advise our customers and potential customers about our promises on timeliness and quality of customer service.
- 5.2.2 We identify individual customer needs at the first point of contact with us and ensure that an appropriate person who can address the reason for contact deals with the customer.
- 5.2.3 We promptly share customer information with colleagues and partners within our organisation whenever appropriate and can demonstrate how this has reduced unnecessary contact for customers.
- 5.2.4 Where service is not completed at the first point of contact we discuss with the customer the next steps and indicate the likely overall time to achieve outcomes.
- 5.2.5 We respond to initial enquiries promptly, if there is a delay we advise the customer and take action to rectify the problem.

5.3 *Achieved Timely Delivery*

- 5.3.1 We monitor our performance against standards for timeliness and quality of customer service and we take action if problems are identified.
- 5.3.2 We are meeting our current standards for timeliness and quality of customer service and we publicise our performance against these standards.
- 5.3.3 Our performance in relation to timeliness and quality of service compares well with that of similar organisations.

Appendix 3

Performance Statistics

Collection of Council Tax

Month	06/07	07/08	08/09	09/10	<i>Target 09/10</i>	+/- 09/10
April	10.67%	10.66%	10.67%	11.06%	10.69%	+0.37%
May	19.73%	19.72%	19.80%	20.03%	19.84%	+0.20%
June	28.64%	28.72%	28.73%	29.10%	28.78%	+0.33%
July	37.30%	37.64%	37.68%	38.09%	37.74%	+0.35%
August	46.06%	46.31%	46.45%	46.80%	46.52%	+0.28%
September	54.94%	55.09%	55.61%	55.92%	55.69%	+0.23%
October	64.08%	64.27%	64.61%	65.02%	64.70%	+0.32%
November	74.04%	73.73%	74.22%		74.32%	
December	82.10%	82.76%	83.46%		83.57%	
January	91.24%	92.05%	92.53%		92.65%	
February	94.04%	94.83%	95.03%		95.16%	
March	95.70%	96.00%	96.10%		96.20%	

In terms of overall collection it is difficult to quantify as all the arrears are bundled together but because of better arrears collection strategic finance have increased their estimate from 98% to 98.1%.

In terms of arrears we collected £2.816m in 08/09 compared to £2.637m in 07/08. This relates to all previous years debts not just the preceding year.

Council tax benefit caseload

At October 2009 this stood at 26795 a 6.8% on the previous October (25077)

Direct Debit Take Up

As at 31st October 2009 direct debit accounted for 72% of all payments received as opposed to 64% at 31st October 2008.

66% percent of our current customers are paying by direct debit as opposed to 58% last year.

4168 summons have been withdrawn to set up DD arrangements this financial year.

DD integrity (the percentage of customers who have sustained this method of payment) is currently at 86% for DD arrangements made at summons stage since the introduction of this option 22 months ago.

Billing & Recovery

	2009/2010	%age	2008/2009	%age
1. Initial bills	124308		123204	
2. Periodic bills	143637	(of 1) 115%	133608	108%
3. Total bills	267945		256812	
4. Reminders	47653	(of 3)18%	31944	13%
5. Summons	16055	(of 4) 34%	11691	37%
<i>Withdrawn for DD arrangement</i>	4168		1430	
<i>Benefit awarded</i>	67		52	
<i>Student identified</i>	51		105	
<i>Exemption granted</i>	234		181	
<i>Withdrawn other; payment crossed, moved etc</i>	2214		2848	
6. Liability orders	9321	(of 5) 58%	7075	61%

Like for like comparisons between the two years are difficult because of the following factors;

1. the recession
2. the lower financial levels for recovery 'intervention'
3. more prompt reminders

Phone calls

At the end of the October 2009 we had answered 61,114 phone calls on our direct line compared to 62,762 at the corresponding stage the previous year.

Complaints and compliments.

Complaints

Since the 1st April 2009 the Corporate Standards & Complaint Team has received 8 complaints suggesting that the issuing of a reminder was inappropriate. There have been 47,653 reminders sent over the same period.

Complaint 1 – Serial complainant of council services went to media complaining about receiving a reminder.

They had not paid on time and a reminder had been rightly issued.

Complaint 2 - Customer complained about receiving a reminder when they were a regular payer.

Customer had set up standing order for 25th of the month. While this was technically late we amended their records to accept later payment without the issue of a reminder.

Complaint 3 – A customer complained about receiving a reminder when they had paid.

Payment and reminder had crossed in the post. The customer was a regular payer but late in the month. In their letter the customer applauded the chasing of non-payers. Customer was made aware of the instalment requirements and made their own arrangements to ensure payment would be on time in the future.

Complaint 4 – Customer complained about receiving a reminder when they were a regular payer.

The customer has set up a standing order to coincide with his payment of wages at the end of the month and was effectively paying his instalment a month in arrears. He wanted an end of month instalment later than the 25th of the month but it was explained to him that in order to clear payments through the banking system this was the latest date feasible. This explanation was accepted and the customer made his own arrangements to pay on time in the future.

Complaint 5 - Customer complained about receiving a reminder when they were a regular payer.

Elderly customer had a considerable history of regularly paying mid-month via a post office. While this was technically late we amended her records to accept later payment without the issue of a reminder.

Complaint 6 – Customer complained about receiving a reminder when they were a regular payer.

Customer had set up standing order for 19th of the month. While this was technically late we amended their records to accept later payment without the issue of a reminder and suggested a move to direct debit for next financial year.

Complaint 7 - Customer complained about receiving a reminder when they were a regular payer.

Customer had a considerable history of regularly paying mid-month. While this was technically late we amended her records to accept later payment without the issue of a reminder and agreed a move to direct debit for the next financial year.

Complaint 8 – Customer complained about the reminder policy suggesting the change inhibited his ability to pay without incurring further cost. The complaint was further critical about the decision making in changing the approach from previous years.

Customer had missed payments and fallen into arrears. Therefore he had correctly been taken to summons stage. Comprehensive response sent and costs were waived in exchange for a lump sum payment.

Compliments

The Revenue & Benefits Service regularly receives compliments regarding the service they provide to customers. These are not formally logged in the way that complaints are;

An extract from one of the compliments is shown below;

Dear Sir/Madam,

I came into the Council Tax Office this morning as I was concerned about this month's overdue Council Tax and I was worried about getting a summons as I have had two late payments earlier in the year.

The man on the desk was extremely kind and helpful.

I told him I would have the full monthly payment on Monday next, the 21st September. I usually pay it into the Post Office when I get my pension.

He suggested to me instead of paying it into the Post Office but to pay it into my bank.

If I did this he said he could structure my payments to come out on the 25th of the month, also it could be spread over 12 months instead of 10 months which would make it a little financially easier for me.

This way I could avoid getting a summons.

I agreed to this as I do not want a summons and it is very difficult finding the £84.00 every month as this is nearly a week's pension....

...The man on the desk also suggested that I should look into to see if I was entitled to any benefits which I will do.

He was very helpful.

I hope this explains it all.

Yours sincerely,

Mrs J...

Information on the Council web-site

The following text is a direct extract from the council's website and illustrates the advice and information being given to customers.

Late payment reminders

If you do not pay your liability by the due date, a payment reminder will be sent. If you fail to settle the amount on that reminder within 7 days, a Magistrate's Court summons will be issued without further notice.

We've reduced the time we take to send out reminder notices to residents who have not made a payment of Council Tax when it was due. This is because the sooner you get in touch with us and let us know your circumstances, the sooner we can help arrange a suitable payment arrangement. Avoiding a reminder could be as simple as changing your monthly payment date by signing up for Direct Debit. We want to help save you from getting into further arrears and having extra costs to pay, and from having further difficulties and worry.

If you do pay the arrears on the first reminder but your payments fall into arrears again, a second and final reminder will be issued. As above, if you fail to settle the arrears within 7 days, a Magistrate's Court summons will be issued without further notice.

Only two reminders are allowed in any financial year. If you miss a further instalment, a summons will be issued without further warning.

If you have received a reminder

Call us as soon as possible on 01273 291291. We can offer a flexible range of payment options to suit your circumstances. For example, you can spread the load over 12 monthly instalments if you pay by direct debit. And with Direct Debit, we can also fix your payment date to fit with the time of the month when you get paid.

Magistrate's Court summons

If your payments are not kept up to date following the issue of payment reminders, a Magistrate's Court summons will be issued for the full amount outstanding and you will lose the right to pay by instalments. The issuing of a summons will incur costs, which will be added to your bill.

To prevent the issue of a summons, it is important that you contact us immediately on 01273 291291, if you are having difficulty paying your Council Tax.

Attending Court

If you do not pay the full amount, including costs, shown on the summons before the Court hearing date the matter will be taken to the Magistrates'

Court. You do not need to attend Court unless you dispute liability for the outstanding amount.

At the hearing we will apply for a Liability Order, incurring additional costs. The Liability Order enables us to recover the debt in a variety of ways.

After the hearing you will be sent a copy off the Liability Order together with a form asking about your financial circumstances. After considering the information provided, the recovery section will be able to make a final instalment arrangement with you. You must keep to any arrangement granted otherwise further recovery action will be taken for the full outstanding amount, incurring additional costs.

A Liability Order also requires you by law to supply details of your employment and benefits. Failure to provide this information is a criminal offence under Regulation 56 of the Council Tax (Administration & Enforcement) Regulations 1992, and could result in a summons being issued for to attend Court and explain to the Magistrates your reasons for non-compliance. The Magistrates have authority to impose a fine of up to £1,000.00.

Further recovery action

Recovery action, incurring further costs, will be taken if you either

- do not provide the required information on your financial circumstances, or
- fail to maintain the arrangement agreed based on the information provided

The following recovery options are available to us once a Liability Order has been granted;

- **Attachment of income support, job seekers allowance or pension credit.** If you receive any of these, the Council can apply to the Department of Works & Pensions to deduct regular sums to pay off the debt.
- **Attachment of earnings.** If you are in paid employment the Council can ask your employer to deduct amounts from your wages. The percentage deducted will vary depending on your net pay.
- **Bailiffs.** If we are unable to recover the debt under either of the above options, we will instruct Bailiffs to remove goods to the value of the debt. You will incur further costs on each occasion the Bailiff visits your property, and also for the cost of removing your goods for sale at public auction. However, even at this stage it may be possible to make an arrangement with the Bailiffs to pay the debt (including their costs). You will need to contact the Bailiffs urgently on 01273 291900, to provide details of your financial circumstances and make a realistic offer of settlement.
- **Bankruptcy action.** If your cumulative debt is more than £750 we can initiate bankruptcy proceedings against you.
- **Charging order.** If you own property and you owe more than £1000 a charge may be placed on your house. This could mean you will have to sell it to settle your debt to the Council.

- **Prison.** If we are unable to recover the debt by means of the other options listed a summons will be issued requiring you to attend a committal hearing in the Magistrates Court. This could result in a prison sentence for up to 3 months.

Changes to formats of letters

The service regularly changes its format of letters and notifications in response to customer feedback or identified best practice. Some of the changes are minor. The more significant changes have been shown in this appendix to illustrate the progression made in trying to make a difficult message as friendly as possible.

Council Tax Instalment Arrears Notice

There have been 6 changes to the design of this notice since April 2005. Three are shown here;

1. May 2005 to illustrate where we were nearly 5 years ago.
2. May 2009 – the letter has been changed to incorporate softened language, an apology for crossed payments near the top of letter and promotion of direct debit. The reverse of the page has a clearer layout and incorporates promotion of direct debit and council tax benefit.
3. August 2009 – following feedback from the public and from our own telephone staff the letter was further updated to clarify the exact payment amounts involved. The reverse layout has been altered and the information re-ordered. Some of the language has been altered for a friendlier read.

Final Council Tax Instalment Arrears Notice / Final reminder

There have been 6 changes to this design since April 2005. Three are shown here. The design changes parallel the sequence as above with the additional introduction of a title change to clarify the letter's purpose.

Summons

There have been 5 changes to the design since April 2005. Two are shown here.

1. January 2007 to illustrate the previous approach
2. May 2009 to illustrate the revised approach with the up front promotion of direct debit and clearer layout on the reverse.

To supplement the summons document we also provide an information sheet. There have been 9 changes to this sheet since April 2005. Two are shown.

1. June 2006
2. April 2009 to illustrate a more user friendly layout and providing more relevant information.