

MINUTES OF MANAGING ARREARS OF COUNCIL TAX TASK GROUP

6 APRIL 2021

PRESENT:

Members of the Task Group: Councillors Brader, Mrs Bragg, Mrs Brown, Mrs New and Roodhouse

Officers: Chryssa Burdett (Revenues Manager) and Linn Ashmore (Democratic Services Officer)

1. APPOINTMENT OF CHAIR

RESOLVED THAT – Councillor Brader be appointed Chair of the task group for the 2020/21 municipal year.

2. ONE-PAGE STRATEGY

The task group reviewed the one-page strategy and agreed it fulfilled the broad scope of the review, but debt advice consultees could be specified. It was agreed the following organisation would be included:

- Rugby Citizens Advice Bureau
- The Family Information Service

3. SCENE SETTING FOR THE REVIEW

The Task Group received a verbal briefing from the Revenues Manager giving Members' background to the current arrangements for how the non-payment of council tax was managed and setting the scene for the review. During the briefing and discussion, the following points were made:

- Customers were always encouraged to contact the Council as early as possible if they are having difficulties paying their council tax.
- Council tax bills are issued at the beginning of March. Thirty five percent are issued by email and the remainder are sent by post.
- Seventy five percent of customers have direct debit arrangements in place with varying plans. The options included annual, half yearly, or monthly.
- Most direct debits were paid monthly over either 10 or 12 instalments. There were options for payment dates including 1st, 12th, 19th or 26th day of the month. These allow customers to select a date nearest to when their income is received.
- Direct debits can also be paid on a weekly, fortnightly or four weekly basis.
- Legally, formal reminders must be sent in writing. Prior to this though an informal reminder is issued via text message. If there is no mobile telephone number available, an email is sent.
- Past evidence has shown that text messages were a more successful means of communication.

- If payment is made there is no further contact.
- If payment is not made, another text or email is sent, again prior to the second formal written reminder.
- The recovery process is published on the Council website. It is a legislative process that must be followed.
- In the past, information on support agencies was included with the written reminders but there were issues with people being unable to make appointments.
- The Revenue Team continue to encourage customers to contact the Council if they require advice or assistance. Officers will assist with making arrangements outside of the agreed instalment plan.
- Customers on low incomes are encouraged to apply for council tax support.
- The key questions were how much more should the Council do and what else was available to offer to customers?
- It was often the case that if customers were in council tax debt, they were likely to be in other debt too.

During further discussion the following points were raised:

- Some customers apply for council tax support and discretionary housing payments. These are both administered by the CAST team.
- Council tax support was funded by the Council through the General Fund.
- In 2021 an additional £150 was made available to those in receipt of council tax support. The Council received £651,000 to help meet those payments.
- The number of people that may fall into arrears was unknown. The key performance indicators reported included:
 - The percentage figure for the in-year collection rate. This year 96.5% was collected.
 - The monthly number of properties and how much debit was raised against budgets. This was the only statutory requirement reported to Government.
- For officers' own use, it was also useful to record the amount collected through electronic billing and direct debits.
- Due to Covid, the priority for the Revenues Team has been the administration of the business grants made available by Government. This meant that very little recovery work had been carried out.
- Customers in debt were encouraged to prioritise the current year. This was collected alongside any arrears payments.
- A flow chart was produced detailing the stages of the recovery process. Customers can be taken to court for non-payment after three reminder notices have been issued. It was necessary for cases to be taken to court to allow for further action to be taken. Examples of further action included:
 - Attachment of Earnings – a percentage of the customers income can be deducted.
 - Charging Order – a charge can be placed on the customers property to secure the debt.
- There was a minimum period of 14 days after the first instalment is due before the next reminder was sent. It was usual to follow a monthly cycle so that the second reminders are issued at roughly the same time the following month.
- Recovery runs take place on Monday evenings so that customers have the best opportunity to contact the office over the course of the week.

- Writing off the debt was always the last resort. This action will only be taken as a last resort and the debt is irrecoverable.
- Write offs can cover many years. Accounts were often held to allow for recovery action to take place. It was not possible to carry out multiple processes at the same time. Holding the debt gives customers the opportunity to pay.
- Bristow and Sutor were the appointed enforcement agents for Warwickshire. Their work was monitored as part of the contract.
- Government was due to launch a new scheme on 4 May 2021 to provide breathing space to anyone with a debt problem who goes to a financial support organisation. It gives protection from creditor action for up to 60 days. During that period creditors cannot contact debtors or commence recovery action.
- The Council received notifications when customers on Universal Credit have been reassessed. It is then necessary to re-calculate the council tax support. The knock on effect means the council tax bill could be recollected the following month. The CAST team will intervene to ensure that there is an instalment to be paid.
- It was also necessary to prompt customers in receipt of Universal Credit to apply for council tax support.
- Notifications were received where there was an Individual Voluntary Arrangement (IVA) in place, bankruptcy or a Debt Relief Order. If there is an IVA the debt must be written off. Any monies that are collected by a recovery agent and returned would result in the debt being re-raised.
- Some people are aware of the support that is available, but those who have not been in debt before often need advice. Officers will encourage people to seek free advice and it was a concern when people paid for debt advice.
- There was some information on the Council website in relation to debt. Where a customer is in housing debt the Revenues Team will work with housing colleagues to divide the monies collected.
- Members questioned the most appropriate means of communication and the amount of information there was available. Feedback from customers was that they liked receiving texts. This was viewed as a prompt rather than a reminder. It was possible to respond to texts and officers would pick those responses up.
- Texts were kept short due to the cost. Concerns were raised that these could be confused with scams. However, the texts contain the customers reference number and the amount they owe. The link attached takes the customer to the secure payment area of the website.

It was agreed that the following would be circulated to the Task Group:

- A copy of the recovery process flow chart.
- Average figures for how many cases are referred to the enforcement agents and how much was collected and returned to the Council.
- Statistics for the number of issues or complaints relating to the enforcement agents and a copy of the contract.
- Copies of the wording used in the text prompts and the reminder notices.

4. PROGRAMME OF WORK

It was agreed that a programme of work would be drafted for consideration at the next meeting.

The next meeting would be to gather evidence from the Citizens Advice Bureau, the Family Information Service (Warwickshire County Council) and Bristow and Sutor.

It was agreed that the focus of the review would be on council tax arrears. This would be made clear to the external witnesses. However, the Task Group may decide that highlighting the impact of other debt issues may need to be referred to in the final report.

5. DATES OF FUTURE MEETINGS

The Task Group agreed that the next meeting would be arranged on a date that was convenient to the external representatives.

CHAIR