

Report

on an investigation into
complaint no 05/A/17099 against
The London Borough of Brent

26 February 2007

Investigation into complaint no 05/A/17099 against the London Borough of Brent

Table of Contents	Page
Report Summary	1
Introduction	3
Legal and Administrative Background	3
Council Tax and the empty property discount	3
The Council's arrangements for collecting Council Tax	3
The Council's complaints procedure	4
Investigation	4
The Council wrongly awarded Mr Holding the discount	4
The Council removes the discount and issues a revised bill	5
The Council considers Mr Holding's case at Stage 1 of its own complaints procedure	5
The Council commences court proceedings	7
The Council investigates at Stage 2 & 3 of its complaints procedure	7
The Chief Executive's concerns	9
Mr Holding complains to me	10
Mr Holding's view	11
The Council's view	11
Conclusion	12
Appendix	
The Council's anti-poverty strategy	14

Key to names used

Mr Holding - the complainant

Report Summary

Subject

The Council wrongly awarded a 50% empty property discount to Mr Holding. The Council cannot explain why it did so. In April 2004, having discovered its error, the Council issued Mr Holding with a retrospective bill but he was unable to meet the Council's proposed arrangements for payment and it took recovery action against him.

Finding

There were several faults in the way the Revenues and Benefits Service dealt with Mr Holding's case:

- It wrongly awarded him a 50% empty property discount for council tax purposes.
- It failed to consider its own policy when proposing the recovery arrangements.
- It failed to adequately inquire into his financial means after he accepted responsibility for making repayments.
- It wrongly treated his solicitor's letter of 1 February 2005 as a Stage 1 'follow-up' complaint (rather than a Stage 2 complaint).

Recommended remedy

The Ombudsman does not consider that financial compensation is appropriate in this case but he does believe there is a public interest in reporting upon the Council's approach to debt recovery, particularly as it relates to vulnerable people.

Introduction

1. In February 2002, when assessing Mr Holding's liability for Council Tax, the Council wrongly awarded a 50% empty property discount. Mr. Holding was liable to pay Council Tax prior to February 2002 and the discount was backdated to 1993. The effect of this was to clear the arrears which had accrued prior to February 2002. The Council says Mr. Holding applied for Council Tax benefit but was not entitled to benefit because his income was too high. The Council cannot explain why it awarded the discount (Mr Holding lives in the property). In April 2004, having discovered its error, the Council issued Mr Holding with a retrospective bill for £4,649.96, later reduced to £3,172.62, and asked him to pay this sum within the next 13 months. Thereafter the Council took recovery action and obtained a liability order on 25 October 2005. Mr Holding was unable to meet the Council's proposed arrangements: he is a pensioner, in poor health and in debt (in part because of a loan taken out to pay for repairs to his home as well as the costs of his son's funeral).
2. My investigator has inspected the Council's files, interviewed the Council's Revenues Client Manager and spoken to Mr Holding by telephone. Both the Council and the complainant were sent a copy of a draft of my report without conclusions. Where appropriate, their comments are reflected in the text.
3. The law generally requires me to report without naming or identifying individuals. The names used in this report are therefore not the real names of those concerned.

Legal and Administrative Background

Council Tax and the empty property discount

4. The Council Tax is a local tax set by local councils to help pay for local services. There is one Council Tax bill for each dwelling usually paid by the resident. The full Council Tax bill assumes there are two adults living in a dwelling. If the dwelling is no one's main home, then a reduction may be appropriate, the so-called empty property discount. From 1 April 2004, local authorities were given the discretion to determine the level of unoccupied property discounts and Brent decided to reduce it from 50% to 10%. The Council says an explanation about the discount is provided with the Council Tax bills and there is a legal obligation on the Council Taxpayer to inform the Council within 21 days if they believe that they are not entitled to receive a discount.

The Council's arrangements for collecting Council Tax

5. The Council employs Capita, a contractor, which is responsible for the collection of both Business Rates and Council Tax. If a person liable to pay Council Tax does not do so, the Council may seek a liability order in the magistrates court. The court

will issue a liability order if it is satisfied that all statutory requirements in relation to billing and liability have been met and the sum has not been paid. Once the Council obtains the order, then various methods are available to it to enforce recovery of the debt, including: deductions from the debtor's pay or income support, making a repayment arrangement with the debtor, instructing bailiffs to distrain and if necessary to sell the debtor's goods, and initiating bankruptcy proceedings in order to make a charge on a property where appropriate. The Council employs two bailiffs firms.

6. In 2002 following recommendations arising from a Best Value Review of the Revenue and Benefits service the Council introduced a collection policy for Council Tax called the Anti-Poverty Strategy (henceforth the Strategy). The Strategy incorporated 3 previously separate policy documents on (1) Council Tax recovery, (2) Housing Benefit overpayments and (3) processing benefit claims from vulnerable claimants. But although the Council says the Strategy seeks to achieve a balance between maximising recovery and preventing extreme financial hardship for the individual taxpayer it contains no detailed guidance about dealing with the recovery of Council Tax from vulnerable persons. Two years ago the Council decided to update the Strategy. In responding to the draft of this report, the Council gave further details of the review of the Strategy. These are contained in Appendix 1.

The Council's complaints procedure

7. The Council has a 3 stage complaints procedure for dissatisfied service users. The Council generally expects complainants to use all stages of its complaints procedure and it has set a target of 65 working days as sufficient for completing all stages of the procedure.

Investigation

The Council wrongly awarded Mr Holding the discount

8. Mr Holding was born in 1934. He and his wife are pensioners. He is unable to read or write. He suffers from poor health and has financial problems.
9. On 19 February 2002 the Revenue and Benefits Service wrongly awarded Mr Holding an empty property discount of 50% backdated to 1993 which cleared Council Tax arrears of £2,567.81. The Council says these arrears arose because of Mr Holding's previous poor history of payments (it says he did not make any payments for several years and made insufficient payments thereafter and that liability orders were granted each year between 1996 and 2001.) The Council says there is no documentary evidence to explain why the discount was awarded by the Revenue and Benefits Service and can only suggest that an officer may have used someone else's details for Mr Holding's account.

The Council removes the discount and issues a revised bill

10. On 30 March 2004, after he had received the bill for the 2004/05 financial year, Mr Holding called into the Council's offices to question why the discount had been reduced from 50% to 10% (see paragraph 4). The Council says it became aware that Mr and Mrs Holding were not entitled to an empty property discount during this interview. On 6 April 2004 the Revenues and Benefits Service cancelled the discount back to 1993. On 10 April it issued a revised Council Tax bill for £4,649.96. The Council says the bill for £4,649.96 represented the outstanding arrears following the removal of the discount and it had no reason to assume that Mr Holdings' means were limited: he had been assessed as ineligible for Council Tax Benefit; it was unaware of any financial difficulties and he had previously paid the bailiffs £350 in October 2003. On 1 June Mr Holding visited the Council's offices to see if he could claim Council Tax benefit. He told an officer that he did not read his bills and did not know he had been awarded the discount. The officer noted that Mr and Mrs Holding were both elderly and vulnerable.
11. On 3 June the Revenues and Benefits Service issued a revised bill of £3,172.62 to replace the original one (a reduction of £1,423.56). (The initial reason given for the reduction was that under the Limitations Act 1980 a taxpayer cannot be billed for a period going back more than six years but the Council now says this was an error and the money was recoverable. But it has decided not to recover it and so it says Mr Holding has therefore benefited financially.) The Revenues and Benefits Service suggested that Mr Holding repay the arrears by 10 monthly instalments (one initial payment of £319.62 and nine subsequent payments of £317). The Council says the officer who took this decision did so following discussions with her manager and after taking account of Mr and Mrs Holding's circumstances, including the fact that they were both pensioners and that the discount had been wrongly applied because of an official error.

The Council considers Mr Holding's case at Stage 1 of its own complaints procedure

12. On 8 June 2004 Mr Holding's solicitors wrote on his behalf to complain about the Council's decision that he was liable to repay the arrears. They said he had assured them that he always provided the correct information to the Council and so he had assumed that his Council Tax liability had been properly assessed with any deductions being properly awarded to him.

13. On 10 August the Council replied to confirm that the discount had been wrongly applied and it had been subsequently removed following Mr Holding's visit in March 2004. It also provided details of the payments which it had received from Mr Holding, the amounts due for each year and it explained that if they remained unhappy with the outcome of the investigation then they could proceed to stage 2 of the complaints procedure.
14. In October 2004 Mr Holding's solicitors wrote again to the Revenues and Benefits Service. The Council says it has no record of having received this letter. On 28 January 2005 the Council sent Mr Holding a further Council Tax demand requesting the payment of £2,457.62 in one instalment by 1 March 2005. The Council says it is unclear why the bill was sent but that the Revenues and Benefits Service usually seeks all payments by the end of the current financial year.
15. In February 2005 Mr Holding's solicitors wrote to the Council's Revenues and Benefits Service:
 - To note the Council's failure to reply to the letter sent in October 2004.
 - To explain that Mr Holding is illiterate and so unable to understand the information sent to him. Furthermore Mr and Mrs Holding were unemployed, had no money with which to pay the outstanding arrears and that Mr Holding believed he should not be liable as the Council had been at fault in awarding the 50% discount.
 - To ask that the Council review Mr and Mrs Holding's current situation and to waive the debt.
16. On 22 February 2005 the Council replied to say the letter had been registered as a Stage 1 "follow-up" under the Council's complaints procedure (there is no reference to such a stage in the Council's published policy on complaints). On 1 March 2005 the Council replied as follows:
 - It was unable to agree a lesser sum than the amount outstanding as the money was properly due.
 - It had evidence to suggest that Mr Holding was not illiterate and that in any event he could have sought advice from relatives.
 - It acknowledged Mr Holding may face difficulties in making repayments but said officers had already considered this when proposing the original instalment arrangements (which provided a substantially longer period than would normally have been allowed).

- It was prepared to spread the arrears over the following year, once the annual demand had been prepared, having already offered an extended payment arrangement in June 2004.
17. On 22 April 2005 Mr Holding visited the Council's offices to seek to resolve the situation urgently. He explained that as a pensioner he was unable to pay the suggested instalments of £319 monthly. He told officers he had taken out a loan from the bank to repair his home and could only barely manage to pay the instalments of £118 monthly for his current Council Tax liability. He again asked the Council to reconsider the matter. On 28 April 2005 the Council replied to Mr Holding to say nothing more could be done to help him and the usual recovery measures would be taken if he failed to pay in accordance with the instalment plan given.

The Council commences court proceedings

18. On 2 June 2005 the Revenues and Benefits Service issued a summons to Mr Holding for failing to pay the arrears of £3,306.76 to 31 March 2005. On 13 September 2005 the liability hearing took place at the magistrates' court during which Mr Holding explained about the withdrawal of the discount and the Council's investigation of his complaint (including the failure by the Council to proceed to the next stage of the complaints procedure). The magistrate decided to adjourn the hearing until 25 October to allow the Council an opportunity to investigate the case further with a view to offering Mr Holding a reasonable time in which to make the repayments.
19. On 14 October a Law Centre wrote on Mr Holding's behalf to seek further information about the proceedings including how the debt had been calculated and whether or not the Council would consider instalments in view of Mr Holding's means. On 22 October the Council replied to the Law Centre. On 25 October Mr Holding attended the reconvened court hearing and discussed his case with a Council officer. The Council says a misunderstanding occurred: the officer understood an agreement was made to pay £140 monthly towards the arrears whereas Mr Holding says that he agreed to pay £20 (in addition to the £120 he was already paying towards his current liability). There is no documentary record of what was agreed. The court granted a liability order.

The Council investigates at Stage 2 & 3 of its complaints procedure

20. On 26 October the Revenues and Benefits Service received Mr Holding's request for a Stage 2 investigation. On 27 October the Council wrote to say the court had confirmed that Mr Holding owed £2,708.76 (plus costs) and its understanding of the agreement at the court (see paragraph 19 above). Also on 27 October the Law Centre wrote to the Council to say they disagreed with proposed arrangements and to ask for more time for any re-payments.

21. On 29 November the Council replied at Stage 2 of its complaints procedure to confirm the court's decision and to reject the offer of repayments via instalments of £20 monthly. On 6 December Mr Holding's daughter wrote to ask the Council to consider his complaint under Stage 3 of its complaints procedure. She explained that he was unable to afford the repayments, was in poor health and had taken out a loan on his home following his son's death (in September 2005). She emphasised that he was not refusing to pay the sum but he could only afford to pay £20 monthly. The Council, in commenting upon a draft of this report, points out it would take 9 years to clear the debt under such an arrangement.
22. On 20 February 2006 the Council replied to Mr Holding at stage 3 of the complaints procedure. A full history of the account was provided together with the following points:
- To apologise for its delay in replying to him and its mistake in awarding the discount but to emphasise that he also must accept some responsibility because of his failure to deal with official correspondence appropriately and to tell the Revenues and Benefits Service about its mistake immediately.
 - To acknowledge that he had been paying regularly since April 2005 and that following the court case he had increased his payments. The Chief Executive felt that Mr Holding's circumstances and the principles and advice contained within the Strategy had been considered by the Revenues and Benefits Service.
 - To offer him an arrangement to pay the outstanding debt by 13 monthly instalments of £163.48 monthly and one of £163.52 up to 28 March 2007 (this would be in addition to the £120 monthly required towards his current liability). If Mr Holding was unable to pay then the Council explained that the Revenues and Benefits Service would consider other ways of collecting the debt, including bankruptcy proceedings and/or registering an interest on his home.
 - To confirm that he had clearly stated both in person and in writing that he was unable to afford the repayment arrangements previously proposed.
 - To confirm that the Revenues and Benefits Service should have dealt with his complaints better in the following ways:
 - His solicitor's letter of 1 February 2005 should have been treated as a Stage 2 complaint and the Council should have asked for a copy of the missing letter sent in October 2004.
 - His contact in April 2005 should have been treated as a complaint.

- He should have been helped to make a Stage 2 complaint to the Council following the court hearing in September 2005 as everyone agreed that the Council should look into the problem again.
 - To confirm that the Council had ceased recovery action for £1,423.36 of the debt in relation to the discount for the period 1993-1999 and waived the costs of the court action it took in 2005.
23. So because of these faults the problem about repaying the debt went on for longer than it should have done and Mr Holding was caused unnecessary worry and distress. But in view of the outstanding debt the Revenues and Benefits Service was right to refer his case to the court. The Council suggested he seek debt advice. The Council accepted and apologised for the mistakes by the Revenues and Benefits service which had caused Mr Holding extra worry about his finances. But it concluded that he had been compensated for this by the more generous arrangements for repayments and the waiving of over £1,500.

The Chief Executive's concerns

24. Meanwhile the Council's Chief Executive wrote to the Revenues Claim Manager following his investigation of Mr Holding's case about two concerns, namely: recovery from vulnerable taxpayers and the handling of Mr Holding's complaints. He said:

"I enclose a copy of my decision on the Stage 3 complaint by Mr [Holding]. I am partly upholding the complaint. There was fault in wrongly applying an exemption/discount and in poor handling of the complaint. I think the waiving of tax court costs compensates for this in the circumstances.

Please write to Mr [Holding] as soon as possible to explain the new payment arrangement.

Please can you consider the comments I go on to make and let me have your response.

Recovery from vulnerable taxpayers

I have considered very carefully how the Revenues and Benefits Service should have approached the question of recovery in this case. The current problems were caused by an unexplained but unjustified error on your part. It resulted in your reclaiming from an illiterate pensioner £4,500 of council tax which you had wrongly waived in 2002. You did make special arrangements for him twice (and have recently done so again). I have taken the line in my report that your decisions were considered, if strict.

But I am not persuaded in this case that the Revenues and Benefits Service fully considered the means or amounts of recovery in line with the

anti-poverty strategy. This is an issue which is coming up on a number of our Stage 3 complaints and through the Overview Committee's work on the recovery of corporate debt. How and when did the Revenues and Benefits Service stop to think about the appropriate means of recovery, how Mr [Holding] might actually pay the debt in the way we asked, or what we might do if he did not? And what information did it consider? There is no record of this. We have an anti-poverty strategy, but in practice the Revenues and Benefits Service seem to start by seeking recovery of debts within the financial year, however the debts arose, and wait for the customer to approach them to ask for an alternative arrangement. Capita say we consider people's means if they ask us to. Mr [Holding] has asked us to by saying he cannot pay. Notes refer to his being elderly, illiterate, unwell and vulnerable. He has been to see us because of his difficulty paying. Whatever his past record, he has recently demonstrated regular payments and has increased his payments as much as he says he can since the court case last year. There is no sign that anyone has referred him to someone who can give him money advice.

The CCT [Corporate Complaints Team] are planning to discuss the anti-poverty strategy with colleagues in PRU in the context of the discussions which are taking place about the recovery of corporate debt for the Overview Committee. The strategy need[s] to be reviewed to develop how we deal with genuinely needy and vulnerable debtors, especially those in debt because of errors by us.

Complaint handling

My second concern is about how the Revenues and Benefits Service dealt with Mr [Holding's] complaints. The draft report was amended as you say we did not receive one of the letters Mr [Holding's] daughter drafted about the problem and gave [the Council's investigating officer] a copy of. Nevertheless Mr [Holding's] solicitors started complaining in June 2004 and it has taken till now to get the complaint to me. His concerns could have been brought to a head much sooner. Meanwhile he was making it clear that he was in financial difficulties and we had noted that he was vulnerable. It is fortunate that Mr [Holding] did not approach the Local Government Ombudsman during this time. Otherwise we could have lost the opportunity of dealing with the complaint ourselves.

Please can you remind all council tax, OSS, and complaints staff to be vigilant to ensure that expressions of dissatisfaction with a service are treated as complaints at the earliest opportunity. In addition, they should keep 'follow-up' complaints to the minimum necessary. They should be reserved for assessing information you request in a complaint response, dealing with information provided about a minor point."

Mr Holding complains to me

25. On 27 February 2006 Mr Holding complained to me and upon receipt of our enquiries the Council's Corporate Complaints Manager wrote to the relevant section to express her concern that there had been no reply to the Chief Executive's concerns and to ask when one may be expected.
26. In its reply to my investigator's enquiries the Council gave details of the scale of its council tax recovery operation and confirmed its view that the decision about recovery of the debt, while strict, was not unreasonable on the evidence available at the time. But it decided to reconsider Mr Holding's case by arranging for the Revenues Client Manager to visit him at his home on 17 May 2006 in order to consider his financial circumstances further. On his return the Manager e-mailed several colleagues including the Chief Executive's office to state:

"I went to see Mr [H] this morning at his home and am satisfied that he is of extremely limited means. While he has a reasonable pension he has large outgoings, including four other arrangements to pay separate creditors.... I have accepted £20pm for the foreseeable future and had we had this information originally we could (have) acted more appropriately on it. Ironically, this was his original offer. This case has highlighted the fact that we need to do more on debt counselling and probably explains why our collection rate is not in the top quarter of London; I suspect we genuinely have a lot of people who cannot afford to pay, low income earners who do not qualify for benefit. How we identify such people though is a challenge for us all and the means enquiry form should hopefully be a start."

On 17 May 2006 the Council wrote to Mr Holding to confirm this arrangement.

Mr Holding's view

27. Mr Holding has told my investigating officer that he is pleased with the Council's decision to accept repayments from him of £20 monthly towards the Council Tax arrears for the foreseeable future.

The Council's view

28. The Council's Revenues Client Manager has been in post since 18 July 2005. He told my investigator that front line officers within both the Council's Call Centre and its One Stop Shops can arrange repayments. The intention is to seek repayment within the current financial year. But repayments may be negotiated over a longer period.
29. The Revenues Client Manager says it was initially unclear whether or not Mr Holding was a wilful non payer: he owned his own house and was ineligible for Council Tax Benefit but had a history of making poor payments. He thought a means enquiry

was appropriate and following his interview with Mr Holding he was satisfied that while his income was relatively high his outgoings were also genuinely large leaving him with little or no surplus income with which to meet the debt. He considered there were good reasons for Mr Holding's financial problems. So repayments of £20 monthly were, in his view, appropriate. The Revenues Client Manager says such an arrangement could have been made some two years ago, that Mr Holding's case had not been assessed as vulnerable under the Strategy and he had been asked to pay several different amounts none of which was realistic given his financial means.

30. The Revenues Client Manager says that a new policy should contain guidance for both Council officers and Capita about collecting debts from vulnerable people.
31. Commenting on the draft of this report, the Council drew my attention to the fact that it has the third lowest collection rate in London and is in the bottom ten nationally. It says it has improved its collection of Council Tax since 2003 when the Capita contract commenced. But further improvements are sought. So it is endeavouring to take a robust approach to charge payers who will not pay and seeking to identify those who cannot pay (so they can be offered arrangements and help to enable them to meet their liabilities).

Conclusion

32. There were several faults in the way the Revenues and Benefits Service dealt with Mr Holding's case and subsequent enquiries:
 - It awarded him a 50% empty property discount for Council Tax purposes in February 2002 but it cannot explain why it did so (“an unexplained but unjustified error” according to the Chief Executive).
 - It failed to adequately inquire into Mr Holding's financial means after he accepted responsibility for making repayments in February 2004 and had explained why he was unable to pay the instalments as suggested by the Revenues and Benefits Service. The Council now accepts there were good reasons for Mr Holding's financial problems: it should have reached that position sooner.
 - It failed to consider the proposed recovery in Mr Holding's case in line with the Anti-Poverty Strategy. It appears similar issues have arisen in several other cases involving the practice of seeking recovery of debts within the current financial year irrespective of how they arose or the individual's ability to pay.
 - It treated his solicitor's letter of 1 February 2005 as a Stage 1 “follow-up” complaint (rather than a Stage 2 complaint). I have seen no reference to such

a stage in the Council's complaints procedure and it accepts it would be appropriate only on rare occasions for assessing information about a minor point.

33. As a result of these faults Mr Holding was caused unnecessary distress and inconvenience and put to time and trouble in making his complaint to me. But I have taken into account the Council's decision to reduce the Council Tax arrears payable by £1,479.34 and consider this to be a reasonable financial remedy in itself. I consider that there is a public interest in the Council's approach to debt recovery, particularly as it relates to vulnerable people. So the issue of the report provides a remedy to Mr Holding, by acknowledging the Council's faults, and brings into wider focus the importance of combining "anti-poverty" principles with what is necessarily a robust approach to debt recovery by local authorities.

34. I shall be interested to see the outcome of the Council's review of the Anti-Poverty Strategy, and would ask to be kept informed of any further progress.

**Tony Redmond
Local Government Ombudsman
Millbank Tower, Millbank
LONDON SW1P 4QP**

26 February 2007

Appendix

The Anti- poverty strategy

The anti-poverty document was first developed in 2002 following recommendations arising from a Best Value Review of the Revenue and Benefits service. The documents contained within this included

- The Council tax recovery policy
- The Housing benefit overpayment policy
- Policy for processing claims from vulnerable claimants

In practice the 3 documents existed in their own right prior to the decision to bring them together as an anti-poverty strategy. The title is indeed misleading because the documents forming part of the overall document are individual policies covering collection of Council tax and HB overpayments. The intention of grouping these together was to acknowledge the need to consider the needs of vulnerable customers in the context of the responsibilities of the Revenue and Benefits service.

The strategy was reported to a cabinet meeting held on 5 August 2002 following consultation with a range of organisations including the CAB, Brent Community Law Centre, Brent Private Tenants Rights Group, RSLs and Housing.

Reviews of the Anti- Poverty Strategy

As outlined above, the individual policies existed in their own right and were used to guide Council tax and Benefits staff in matters relating to collection, overpayments and benefits administration. There have been various reviews of each of these documents since 2002. These are summarised as follows:

First Review of the anti-poverty strategy

The anti-poverty strategy was reviewed in April 2004, and aspects of all 3 individual policies were updated, expanded or changed. Changes in the Council tax recovery policy included:

- A new policy to allow payment by instalments to continue before the issue of a summons, if the charge payer agrees to pay the outstanding amounts due by direct debit.
- Further guidance for staff on the circumstances in which a summons should be issued
- Further guidance about the number of instalments that would be considered acceptable for arrangements following summonses.
- Further advice about the definition of vulnerable for the purposes of IS/JSA deductions and non referral of debts to bailiffs.

The overpayments policy remained largely unchanged but was updated with any relevant changes arising from circulars such as claw back rates.

The vulnerable policy was further developed so as to include further categories of vulnerable customer including claimants with alcohol and drug dependency, claimants unable to read or write, customers with sensory impairments. The revised procedure referred to plans to develop more proactive action for vulnerable claimants by November

2004.

Impact and needs Requirement assessment of Anti- Poverty strategy 2005

In order to facilitate compliance with level 2 of the Equality standard by April 2004 an equalities plan was drawn up. During the latter part of 2005, an impact and needs requirement assessment (INRA) of the anti-poverty strategy was undertaken to comply with the plan. The target to achieve Level 2 was achieved corporately and Brent is now working towards level 3 compliance. The INRA identified a range of recommendations including:

- Renaming the strategy (acknowledging its misleading title)
- Investigate the issues surrounding language barriers for customers further and to consider how these could be addressed
- Considering benefit take up campaigns to increase awareness of entitlement to HB and CTB and to increase take up
- Developing a central register of vulnerable persons
- Discussing the policies contained within it with stakeholders to identify ways of improving it.

Further reviews of Council tax Recovery policy

January 2005

A further review of this policy was undertaken in the latter part of 2004 /2005 in preparation for main billing for 2005/06 and this was reported to committee in Jan 2005. There were no significant changes made.

2006 – January and October 2006

A separate review of the Council Tax Recovery policy was undertaken in late 2005 in preparation for main billing 2006. This was reported to Committee on 21/1/2006, no major changes were identified. Changes were identified later in 2006 when the policy was developed to allow for more flexible arrangements for customers in financial difficulty. This new policy allows for the aggregation of customer's arrears to be consolidated into one overall arrangement and extended repayment periods, provided that the customer keeps up to date with instalments agreed. This policy also allows for arrears arrangements to be extended beyond the financial year, provided that in year is paid within the financial year. Levels of repayment are determined following the completion of a means enquiry form from the customer and investigation into entitlement to Council Tax Benefit where appropriate. This revision has been in operation since October 2006.

Development of HB policies

During 2005/06 the Benefits service implemented the Interventions and Visits module of the Verification framework. New procedures were drawn up that setting out arrangements for carrying out interventions and these included new procedures for arranging welfare visits to vulnerable customers and additional actions to be taken in respect of vulnerable customers before ceasing their entitlement following a failed intervention. As part of preparation for this proactive review of claims, guidance for defining "vulnerable" customers was reviewed.

A range of other policies were reviewed under our equalities plans including, arrangements for awarding Discretionary Housing Payments, identifying and assessing urgent claims and backdating.

The overpayments policy is currently being reviewed. Changes to notification letters have already been made as have procedures for identifying and assessing entitlement to underlying entitlement.

Progress on implementing recommendations arising from INRA of Anti-poverty strategy

A fundamental rewrite of the existing anti-poverty strategy commenced in August 2006 and is now well progressed. The document is being renamed and now incorporates an overarching statement that highlights broad objectives covering all of the individual documents. It will include a much broader range of individual policies and also details of arrangements for take up, addressing language barriers and arrangements for liaison with major stakeholders. Plans are in place to consult with a range of stakeholders including RSLs and advice agencies about its content and we would also welcome any comments the Ombudsman service may have, or any examples of good practice elsewhere that we might draw on. A draft copy of this is attached as Appendix A for your consideration.

Special Recovery profiles and identifying vulnerable customers for Council tax purposes

A special "Vulnerable "recovery profile has been set up on the Revenues SX3 system, which prevents automatic recovery beyond final notice stage. Cases within this profile are reviewed on a quarterly basis by Capita.

Cases considered vulnerable for HB purposes are also considered vulnerable for Council tax purposes and work is planned to ensure that the vulnerable profile has been set up in respect of all of these.

A list of vulnerable social services clients was obtained and reviewed in December 2005. Most of these clients were not liable council tax chargepayers however those that were identified as chargepayers have been included in the vulnerable profile.

The information held on the Council Tax system about individual chargepayers is much more limited than benefits and does not include age or disability. In the main customer vulnerability is identified by information provided by customers or their representatives, information held by other services areas such as HB or social services and information ascertained by customer services staff. There are currently 521 accounts with a vulnerable profile (151 open accounts and 370 closed).

Customers with financial difficulties may be included in the vulnerable profile, if their difficulties have arisen due to their vulnerability. The new policy for chargepayers experiencing financial difficulty however extends beyond those who are vulnerable. This does rely on customers contacting the Council to advise of their financial situation as generally we will not be aware of this unless they are in receipt of benefits. We are also reliant on customer co-operation in completing a means enquiry to enable a realistic arrangement to be agreed.

Other actions taken to help customers who have difficulties paying include:

- A notice is sent with summonses advising customers to contact customer services if they have issues concerning their liability or they wish to make arrangements to pay.
- A pre-bailiff letter is sent before liability orders are passed to the bailiff. This is also intended to encourage customer to make contact to discuss any difficulties they have in paying and to make arrangements to pay.
- The empowerment of customer services staff which enables them to agree arrangements with customers within specified guidelines
- Arrangements for customer services staff to refer cases to their manager or Capita to consider arrangements that fall outside of their empowerment levels.
- Suppression of summonses for any account that has a benefit or Council tax query outstanding or a pending.