



Performance and Finance Select Committee
11th April 2007

Report from the Director of Finance

For Information

Wards Affected:
ALL

Report Title: Local Government Ombudsman reports on two complaints about the Revenue and Benefits Service

Forward Plan Ref:

1.0 Summary

- 1.1 This report provides a summary of two reports from the Local Government Ombudsman (LGO) that were issued recently and the actions taken to address their recommendations.
- 1.2 The full LGO reports are attached as Appendices A and B

2.0 Recommendations

- 2.1 To note the LGO's findings in respect of Mr Holding and the actions taken to address these.
- 2.2 To note the LGO's findings in respect of Ms Benn and the actions taken to address these.

3.0 Detail

- 3.1 A summary of the LGO's report, finding and recommended remedy in respect of Mr Holding are as follows:

The Ombudsman's report and findings

In February 2002, the council wrongly awarded a 50% empty property discount to Mr Holding, which resulted in the arrears on his account being cleared. In April 2004, having discovered and corrected its error, the council issued Mr Holding with a retrospective bill which reinstated the majority of the arrears that he owed. Mr Holding was unable to meet the council's proposed arrangements for payment so it took recovery action against him.

The Ombudsman identified several faults in the way the Revenue 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).

These faults had previously been identified through the council's investigations under our own complaints procedures.

LGO's recommended remedy

The Ombudsman acknowledged that the council had already written off £1479.34 when removing the erroneous empty property discount and he did not consider that further financial compensation is appropriate in this case. He does believe, however, there is a public interest in reporting upon the Council's approach to debt recovery, particularly as it relates to vulnerable people.

3.2 Officers' comments

This report originated due a mistake that was made by the Council Tax contractor in 2002. The council has since changed its contractor.

The report needs to be put into context against a year-on-year improved rate of Council Tax collection since April 2003 and in the context of a chargepayer base of over 100 000 properties. Notwithstanding the improvements that have been achieved, Brent's in year collection still does not compare well with

other London Boroughs and a robust approach to collection and recovery will need to continue if we are to improve to the level of other London Boroughs.

The Revenue and Benefits Service has revised and strengthened many of its policies in the period since the mistakes were made in Mr Holding's case. In particular, the Council Tax Recovery Policy, which is part of the service's Anti-Poverty Strategy, has been rewritten to ensure that help and advice is available where residents may be experiencing difficulty meeting their Council Tax liability. Coupled with this, the Council will continue to ensure that those who refuse to pay will be actively pursued until payment is received.

Arrangements have been taken to ensure that correspondence is no longer classified as a Stage 1 follow-up complaint where this should properly be considered under Stage 2 of the complaints procedure.

3.3 A summary of the LGO's report, finding and recommended remedy in respect of Ms Benn are as follows:

The Ombudsman's report and findings

Ms Benn claimed Housing and Council Tax Benefits and had a number of changes in her circumstances. The council should have assessed Ms Benn's underlying entitlement to benefit for the period 4 August 2003 to 1 February 2004. Underlying entitlement can be used to offset all or part of an overpayment by looking at a claimant's actual circumstances during an overpayment period and calculating the amount of benefit they would have been entitled to , had a claim been made at that time..

It failed to do so even though there were subsequent reassessments of Ms Benn's benefit entitlement. The claim was finally dealt with properly in October 2005.

As a result of the delay Ms Benn's account showed Council Tax arrears which she did not owe. The account was referred to the bailiffs and approaches from them caused Ms Benn worry and distress. She asked for help from two advice agencies before the matter was resolved. The Ombudsman accepted the complaint for investigation before it had been investigated at all stages of the council's internal complaint procedure.

The Ombudsman found that there was maladministration by the Council which caused an injustice to Ms Benn through the failure to assess her underlying entitlement to benefit

LGO's recommended remedy

The LGO recommended that the council should pay Ms Benn £500 and inform the Ombudsman of the outcome of the review of its Anti-Poverty Strategy. The payment of £500 was made on 14th March 2007

3.4 Officers' comments

The LGO acknowledged that the council admitted the failure to assess underlying entitlement and was willing to settle the complaint.

The LGO noted several improvements to the council's procedures including improved overpayment letters, a form seeking information so that underlying entitlement can be assessed, and the procedure for the suppression of the summons for an account where there is an outstanding Council Tax Benefit enquiry.

In addition Housing Benefit Officers have been given refresher training on overpayments and quality checks now include a review as to whether underlying entitlement has been awarded where appropriate.

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

The intention of grouping these policies 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.

There have been various reviews of each of these documents since 2002.

During the latter part of 2005, an impact and needs requirement assessment (INRA) of the anti-poverty strategy was undertaken. This identified a range of recommendations including:

- The need to review recovery policies for Council tax and Housing Benefit overpayments to take account of the needs of customers experiencing financial difficulties through more flexible repayment arrangements.

- The need to investigate issues surrounding language barriers for customers and to consider how these could be best addressed
- The need to consider benefit take up campaigns to increase awareness of entitlement to Housing Benefit and Council Tax Benefit and to increase take up
- The need to develop a central register of vulnerable persons
- The need to consult with stakeholders to identify ways of improving the Anti-Poverty Strategy to best meets the needs of Revenue and Benefit customers.

A fundamental rewrite of the existing anti-poverty strategy commenced in August 2006 and is now well progressed. The document now incorporates an overarching statement that highlights broad objectives covering all of the individual documents. The details of this statement are attached as Appendix C of this report. It now also includes a much broader range of individual policies as well as details of arrangements for increasing take up of Housing Benefit and Council Tax Benefit, addressing language barriers and arrangements for liaison with major stakeholders. The draft outline of the plan is attached as Appendix D. The final draft of the revised strategy will be available in early April and plans are in place to then consult with a range of stakeholders including RSLs and advice agencies about its content. A detailed action plan will be developed following consultation, to set out how the strategy will be delivered. The draft timetable for completing the strategy is attached as Appendix E. In the interim the Revenues and Benefits Annual Service Plan includes a range of actions that support the strategy including further Housing Benefit take up initiatives, further development of the Council Tax recovery strategy and training for staff on the revised overpayment policy.

3.4 In reply to the LGO reports a press release was prepared to respond to any enquiries into the matter. A summary is as follows:

Brent Council has accepted the findings of the LGO, has agreed compensation and has apologised to both parties for any distress and inconvenience.

London Borough of Brent is proud of its good record with the Ombudsman and these are the first cases that the LGO has found it necessary to report on in six years. In his Annual Letter for 2005/2006, the Ombudsman praised Brent for the general effectiveness of its complaints procedure and for the quality of responses it provides to residents.

Both cases have led to a comprehensive review of policies and procedures and lessons have been learned.

The council has a statutory duty to collect Council Tax so that it can provide services. Help and advice is available where residents may be experiencing difficulty paying but the council will also ensure that those who refuse to pay will be actively pursued until payment is received.

4.0 Financial Implications

4.1 The LGO recommended that a payment of £500 be made to Ms Benn. This payment was made on 14th March 2007.

5.0 Legal Implications

5.1 The Council is required to report the adverse findings to members and must notify the commissioner within three months of the date the report was received of the action which the authority has taken or is proposing to take in respect of the findings.

6.0 Diversity Implications

6.1 The Revenue and Benefits Anti-Poverty Strategy is being reviewed to improve the service's arrangements for customers who are facing financial difficulties. Please see Section 3.4 for more information.

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 None

Background Papers

The full LGO reports are attached as Appendices A and B

The Ombudsman's Annual Letter for 2005/06 can be found on the council's website by following the Complaints link or can be obtained from the Corporate Complaints Team on 020 8937 1041.

Contact Officers

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