

Cabinet

Date of Meeting: 10 March 2020

Report Title: Notice of motion – Council Tax Protocol

Portfolio Holder: Cllr Amanda Stott – Finance, IT and Communication

Senior Officer: Alex Thompson – Director of Finance and Customer Services

1. Report Summary

- 1.1 The “Council Tax Protocol” (2017) has been developed by the Local Government Association and Citizens Advice Bureau. It aims to help Local Authorities (LA’s) in England improve the experience of residents who are in arrears with Council Tax whilst also recognising LA requirements in collecting debt owed.
- 1.2 The Protocol commits signatory LA’s to a number of actions, with the aim of preventing people from getting into debt, setting standards for recovery and taking appropriate enforcement action.
- 1.3 A Notice of Motion (Appendix 1) “For Cheshire East Council to adopt the Council Tax Protocol as recommended by the LGA and Citizens’ Advice Bureau” was moved by Councillor Flavell at the Council meeting on 19th December and referred to Cabinet for consideration.
- 1.4 This report provides further details on the Protocol in support of the Notice of Motion.

2. Recommendation

- 2.1 That Cabinet approve the proposal for Cheshire East Council to sign the “Council Tax Protocol”.

3. Reason for Recommendation

- 3.1 Signing the Protocol demonstrates the Council’s continued commitment to its customers, particularly those most vulnerable, and to the development of a responsible, effective and efficient organisation.

4. Other Options Considered

- 4.1. The option not to support the Notice of Motion is not recommended.

5. Background

- 5.1 A revised Council Tax Protocol (see Appendix 2) has been developed by the Local Government Association and Citizens Advice Bureau. It builds on previous Protocols developed in 2009 and 2013 and has been enhanced following consultation with advice agencies, local government representatives and enforcement agencies.
- 5.2 The charity's work to design the collection Protocol follows its research showing how councils' handling of arrears can make residents' problems worse. A Citizens Advice study carried out last year found that over two thirds (69%) of those in council tax arrears found it harder to clear their debts as a result of the council's actions. Most (71%) had extra charges added to their bills while half (48%) had been visited by bailiffs.
- 5.3 According to Citizens Advice, intervening early means that councils can stop residents reaching 'crisis point' which, as well as being harmful to the individual, puts a strain on council services.
- 5.4 The Protocol commits signatories to a number of actions which are intended to provide practical steps to prevent people from getting into debt in the first place and ensuring enforcement agents act within the law.
- 5.5 The protocol aligns with a fair collection and enforcement policy recently introduced within Cheshire East Council. This enables us to identify and offer additional support to vulnerable customers. Our approach has been recognised at a national level as an example of good practice through a nomination to the Institute of Revenues Rating & Valuation (IRRV) awards.
- 5.6 The Protocol covers three key commitments for LA's:
- To foster more effective partnership working
 - To improve the information supplied to council tax payers about the billing process, how to get support and debt advice and to promote engagement.
 - To ensure greater effort is made at or before the Tribunal Courts and Enforcement Act's compliance stage, including debt and money advice referrals and to assess whether vulnerability or hardship applies, so as to avoid escalating a debt.
- 5.7 A review of the Protocol has confirmed that only minimal changes would be required to Cheshire East's existing processes and procedures to enable us to conform to the Protocol. As outlined in the Protocol we already have close partnership arrangements with the local Citizens Advice Bureau and with other advice and enforcement agencies. We also provide a range of flexible repayment options and have conducted a detailed review and enhancement of the information we supply to customers.
- 5.8 Collection rates for local taxation (Council Tax and Business rates combined) are currently good at 98.92% over 2 years.

- 5.9 In signing the Protocol we confirm that “We agree to adopt this Protocol in Cheshire East as our public commitment to its principles of fairness, partnership working and transparency in local authority debt collection”. All of which clearly aligns with our Council vision and values.

6. Implications of the Recommendations

- 6.1. It is not proposed that this leads to any changes in structures or budgets.

6.2. Legal Implications

- The recommendations within the Code are and not statutory and therefore not binding, but present elements of ‘good practice’ which is a matter for each authority to consider as to whether to adopt or not.
- The Local Authority remains obliged to ensure it pursues its debts; however there is scope to adopt the manner in which this is done.
- Due to the other statutory duties that the Council is under, for example under Homelessness and Child & Adult legislation relating to vulnerable residents, to mention but a few such statutory duties, utilising the protocol may provide an opportunity to implement new ways of working which are aligned to the Council’s ambition, whilst ensuring discharge of its statutory duties.
- The implications upon specific changes can only be ascertained once detailed proposals are presented for consideration.

6.3. Finance Implications

- Adoption of the Council Tax Protocol is thought to have no impact on the Council’s budget or the Medium Term Financial Strategy.

6.4. Policy Implications

- There are no policy implications with the adoption of the Protocol

6.5. Equality Implications

- The Protocols primary impact is on customers who are experiencing financial difficulties and who are, or are at risk of, getting into debt.

6.6. Human Resources Implications

- There are no HR implications with the adoption of the Protocol

6.7. Risk Management Implications

- There are no risk management implications with the adoption of the Protocol

6.8. Rural Communities Implications

- There are no direct implications for rural communities.

6.9. Implications for Children & Young People/Cared for Children

- There are no direct implications for children and young people.

6.10. Public Health Implications

- Debt is recognised as a significant factor in poor mental health and as a cause of suicide. This proposal will contribute to Outcome Two of the Cheshire East Partnership's Five Year Plan, specifically a) reducing the levels of depression in adults and b) reduce the suicide rate.

6.11. Climate Change Implications

- There are no direct implications for climate change

7. Ward Members Affected

- All

8. Consultation & Engagement

- Not Required

9. Access to Information

- N/A

10. Contact Information

- Any questions relating to this report should be directed to the following officer:

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