

Public Document Pack



#coopscrutiny



Democratic Support

Plymouth City Council
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Published 17 December 2013

COOPERATIVE SCRUTINY BOARD SUPPLEMENT PACK

Wednesday 18 December 2013
4.00 pm
Council House (Next to the Civic Centre)

Members:

Councillor James, Chair
Councillor Mrs Aspinall, Vice Chair
Councillors Mrs Beer, Bowie, Casey, Darcy, Philippa Davey, Sam Leaves, Murphy and Tuffin.

Please find attached additional information for your consideration under agenda items 4 and 12.

Tracey Lee
Chief Executive

COOPERATIVE SCRUTINY BOARD

AGENDA

PART I – PUBLIC MEETING

4. CHAIR'S URGENT BUSINESS (Pages 1 - 8)

To receive reports on business which, in the opinion of the Chair, should be brought forward for urgent consideration.

12. COOPERATIVE REVIEW(S) (Pages 9 - 20)

The Cooperative Scrutiny Board will be asked to consider cooperative review(s) (if any) and approve the following cooperative review reports –

- Council Tax (Attachment of Earnings)


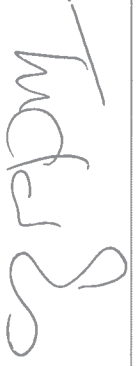
URGENT CABINET DECISION

Democratic Support



Cabinet Decision	
1	Title of Cabinet report: City Celebrations and Events 2014
2	Decision maker: Cabinet on the recommendation of Councillor Peter Smith (Deputy Leader)
3	Decision author: Amanda Lumley, Chief Executive, Destination Plymouth City Council contact details: Tel: 01752 307268
4	<p>Decision taken:</p> <p>Agreed additional funding of £395,000 to support a major series of events in 2014 including the Royal Marines 350th anniversary celebrations and a major musical event to celebrate the 100th anniversary of the City.</p>
5	<p>Reasons for decision:</p> <p>This funding will need to be drawn down in 2013/14 and 2014/15 to enable contracts to be entered into and an artist or artists to be booked within the necessary timescales. This will be financed through a year-end review of reserves and provisions, combined with any 'Corporate Health Adjustments' linked to the final revenue outturn position</p> <p>These events will be made accessible to as broad an audience as possible across the Plymouth community engendering a sense of belonging and pride in their city as well as giving them aspirations and hope for their future;</p> <p>Film footage of these events will be shown internationally across numerous media channels and showcase the very best that the city has to offer;</p> <p>Confirm that Plymouth is an innovative and forward thinking city to do business and raise awareness of the opportunities within the city for business investment;</p> <p>Provide particular opportunities of benefit to the creative industries within the city;</p> <p>Position Plymouth as 'Britain's Ocean City' as a centre for music and culture, with a vibrant and thriving community, that will fast track awareness of Plymouth to visitors.</p> <p>Hosting these events will demonstrate the city's ability to deliver major national cultural events and will support the city's aspirations for Mayflower 400 and the legacy beyond.</p> <p>Local communities will have the opportunity to see world famous Royal Marines and Military bands and global quality musicians who will inspire and encourage pride in the city.</p> <p>The Royal Marines event will be a national event which will benefit from major media coverage that, broadcast nationally or internationally, will give significant reach to the 'Britain's Ocean City' brand for Plymouth.</p>

	<p>The Royal Marines will [cover / reimburse] most of the costs of the infrastructure for this major event and it is proposed that while this infrastructure is on the Hoe the Council will make use it for a major music event for the city as part of the 100th anniversary of the city celebrations.</p> <p>When a major musical event of the nature envisaged was hosted in Manchester in 2012 it delivered an economic and media impact of over £12 million to the local economy.</p>														
6	<p>Alternative options considered and rejected:</p> <p>Royal Marines deliver their own event</p> <p>This would be cost prohibitive for the RM due to the large amount of infrastructure required. The RM have explored other options at alternative locations which are smaller events, however, there preferred choice is Plymouth Hoe with PCC supporting in a partnership approach.</p> <p>PCC use RM infrastructure and promote own events</p> <p>Costs too high and very high risk of not selling tickets</p> <p>PCC use RM infrastructure and 'rent' site to an external promoter</p> <p>This option is still being explored, as a way to help offset the costs of the major music event, however, to date although there has been some interest there are no confirmed opportunities.</p>														
7	<p>Financial implications:</p> <p>The additional events for 2014 will require an additional net budget allocation of £395,000, the total estimated costs of £920,000 will be partially offset by estimated ticket and commercial income of £525,000. The net cost to Plymouth City Council may be reduced as further sponsorship and income generating opportunities are developed.</p> <p>It is requested that Plymouth City Council invests in these events for the benefit of the city and that this funding is allocated into the annual events budget for the financial years 2013/14 and 2014/15 for the core PCC events team to use for delivery.</p>														
8	Is the decision a Key Decision?	<table border="1"> <tr> <td data-bbox="757 735 848 970">Yes</td> <td data-bbox="629 735 757 970">✓</td> <td data-bbox="501 735 629 970"></td> </tr> <tr> <td data-bbox="501 735 629 970"></td> <td data-bbox="434 735 501 970">✓</td> <td data-bbox="329 735 434 970">x</td> </tr> </table>	Yes	✓			✓	x	<table border="1"> <tr> <td data-bbox="629 970 848 1513">(if yes, complete sections below, tick as appropriate and complete section 10)</td> <td data-bbox="501 970 629 1513">resulting in the council spending or saving more than £500k or £2m if that is the total cost of the contract award?</td> <td data-bbox="329 970 501 1513">significant in terms of its effect on communities living or working in an area comprising two or more wards?</td> </tr> <tr> <td data-bbox="434 970 501 1513">No</td> <td data-bbox="329 970 434 1513"></td> <td data-bbox="179 970 329 1513">(If ticked, proceed to section 11)</td> </tr> </table>	(if yes, complete sections below, tick as appropriate and complete section 10)	resulting in the council spending or saving more than £500k or £2m if that is the total cost of the contract award?	significant in terms of its effect on communities living or working in an area comprising two or more wards?	No		(If ticked, proceed to section 11)
Yes	✓														
	✓	x													
(if yes, complete sections below, tick as appropriate and complete section 10)	resulting in the council spending or saving more than £500k or £2m if that is the total cost of the contract award?	significant in terms of its effect on communities living or working in an area comprising two or more wards?													
No		(If ticked, proceed to section 11)													
9	Date of publication of the notice	11 November 2013													
10	Is the decision an urgent key decision?	Yes													

11	Please specify how this decision is linked to the policy framework and/or budget:	These events will support the following city strategies: <ul style="list-style-type: none"> • Destination Plymouth Visitor Plan – 2011 • Local Economic Strategy • Child Poverty matters strategy • Mayflower 2020 • Vital Sparks – Cultural Strategy • City Centre Company Business Improvement District • Plymouth Waterfront Partnership Business Improvement District 		
12	Does the decision or background paper contain private information?	No	✓	
13	Is the decision urgent and to be implemented immediately?	Yes	✓	(if yes, ensure that section 15 is completed and that the Chair of the Co-operative Scrutiny Board signs the report at section 15b and the Leader signs the report at section 16 following the Cabinet decision)
14	Date of publication of the notice			
15a	Reason for urgency: Following the decision of Cabinet on 10 December, the Council has been in discussion with a key third party promoter for the event who is insisting that in order to secure the national / international promotion of the events they require contracts signed by 18 December 2013. Accordingly, in the interests of the Council and the public, immediate action is required to sign the contract.			
15b	Signature		Date	16 December 2013
	Print Name	Councillor James (Chair of the Co-operative Scrutiny Board) DAVID JAMES		
16	Chair of Cabinet: I confirm the Cabinet decision and that it is not contrary to the Council's policy and budget framework.			
16a	Signature		Date	16 December 2013
	Print Name	Councillor Evans (Council Leader) TUDOR EVANS		

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EXECUTIVE DECISION

made by a Cabinet Member



REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY BY AN INDIVIDUAL CABINET MEMBER

Executive Decision Reference Number –

Decision	
1	<p>Title of decision: Royal Marine 350th celebration event 2014</p>
2	<p>Decision maker (Cabinet Member): Councillor Peter Smith, Deputy Leader</p>
3	<p>Report author and contact details: David Draffan Asst. Director for Economic Development Email: david.draffan@plymouth.gov.uk Tel: 01752 304325</p>
4	<p>Decision to be taken: Act as short term guarantor for Royal Marines for £180,000 revenue funding between 18 December 2013 and 18 January 2014 to enable them to proceed with their 350th anniversary celebrations.</p>
5	<p>Reasons for decision: The Royal Marines wish to hold 3 to 4 concerts in July 2014 to celebrate their 350th anniversary. They have entered into a partnership arrangement with PCC to provide infrastructure on the Hoe to enable these events to take place while at the same time offering PCC the opportunity to host a major music event to celebrate the 100th anniversary of the City. Cabinet approved a decision to provide £395,000 additional revenue funding for these events on December 10th with the Royal Marines formally guaranteeing £300,000 funding. Both parties anticipate costs for the events to be covered through ticket sales as well as further commercial income generation. PCC is required to sign a contract by 18 December 2013 to enable us to progress with a third party to deliver a major music event in 2013. The Royal Marines will not complete their formal sign off processes internally until the second week in January and will therefore not be able to sign a formal contract until that time.</p>

	<p>If we do not proceed with the third party contract they will withdraw from the opportunity. This will impact upon delivery of the Royal Marines event financially which means it will be no longer viable for any of the parties to proceed.</p>		
6	<p>Alternative options considered and rejected: Yes</p> <p>a) Royal Marines deliver their event on a standalone basis – not commercially viable</p> <p>b) PCC deliver events on a standalone basis – not commercially viable</p>		
7	<p>Financial implications:</p> <p>If the £180,000 is not covered by RM – PCC have to cover costs from ticket sales or revenue budget from events 2014/15. All income will go to PCC for these events as part of the agreement.</p> <p>If RM pull out of this event PCC will be committed to the MTV event – net costs for this without RM would be approx. £522,000. Cabinet have approved £395,000 which leaves a balance of £127,000. This would have to be met from the events revenue budget.</p>		
8	<p>Is the decision a Key Decision?</p>	<p>Yes</p>	<p>(Key decisions are normally made by the Cabinet and must be included in the Council's Forward Plan.) Contact Democratic Support for further advice.)</p>
		<p>No</p>	<p>✓</p>
9	<p>Please specify how this decision is linked to the Council's corporate plan 2013/14 to 2016/17 and/or the policy framework and/or the revenue/capital budget:</p>	<p>See Cabinet paper</p>	<p>http://www.plymouth.gov.uk/mglneternet/documents/s51261/City%20Celebrations%20and%20Events%202014.pdf</p>
10	<p>Is the decision urgent?</p>	<p>Yes</p>	<p>✓</p> <p>(If yes, ensure that the Chair of the Cooperative Scrutiny Board signs the report at section 11a and section 11b is completed <u>after</u> the sign off codes in Section 17 are completed. The Lead Scrutiny Officer must be consulted before approaching the Chair of the Co-operative Scrutiny Board)</p>
		<p>No</p>	<p>(If no, go to section 12)</p>
11a	<p>Signature</p>	<p><i>David James</i></p>	<p>Date</p> <p>16 December 2013</p>
	<p>Print Name</p>	<p>Councillor James (Chair of the Co-operative Scrutiny Board)</p> <p>DAVID JAMES</p>	

11b	Reason for urgency: PCC is required to sign a contract by 18 December 2013 to enable us to progress with a third party to deliver a major music event in 2013. The Royal Marines will not complete their formal sign off processes internally until the second week in January and will therefore not be able to sign a formal contract until that time.			
Consultation				
12	Are any other Cabinet members affected by the decision?	Yes	✓	(If yes, go to sections 13 and 14)
		No		(If no, go to section 15)
13	Which other Cabinet member is affected by the decision?	Councillor Lowry		
14	Please confirm that you have consulted this Cabinet member	Yes	(No is not an option)	
		No	✓	Need a note of dispensation granted by the Council's Monitoring Officer
15	Has any Cabinet member declared a conflict of interest?	Yes		
16	Which Corporate Management Team member has been consulted?	No		
		Name	Anthony Payne Director for Place	
17	Please include the sign off codes from the relevant departments consulted:	Democratic Support (mandatory)	JS	
		Finance (mandatory)	djl1314.27	
		Legal (mandatory)	DS	
		Human Resources		
		Assets		
		IT		
18	Is the decision in accordance with an Equalities Impact Assessment?	Yes	✓	(For further advice, contact Assistant Director for Homes and Communities, ext 6716)
		No		
Other Information				
Briefing report				
19	Is the briefing report attached?	N/a		

List (and include a hyper link to) published work/information used to prepare the report.

see <http://www.plymouth.gov.uk/mglnetnet/documents/ss1261/City%20Celebrations%20and%20Events%202014.pdf>

Do you need to include any confidential/exempt information?

No

Confidential/exempt briefing report title	Exemption Paragraph Number						
	1	2	3	4	5	6	7

Background Papers

20 Please list all background papers relevant to the decision in the table below.

Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based. A folder or a file should not be cited as a background paper, though individual items within the folder or file may be. If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	

Cabinet Member Signature

21 I agree the decision and confirm that it is not contrary to the Council's policy and budget framework, Corporate Plan and Medium Term Financial Plan.

Signature  Date of decision 16 December 2013

Print Name Councillor Peter Smith

COUNCIL TAX (ATTACHMENT OF EARNINGS)



A report of the Cooperative Scrutiny Board Review group following a review of Council Tax (Attachment of Earnings)

CONTENTS

1. Introduction
2. Scrutiny Approach
3. Findings
4. Conclusions
5. Recommendations
6. Acknowledgement

I INTRODUCTION

- 1.1 Council tax is an important part of the financing of local government and other local services. The money raised by council tax is used to make up the difference between funding supplied by central government and the money required by Plymouth City Council to supply all the services needed by the residents of Plymouth. It also contributes towards the cost of services provided by the Police and Devon and Somerset Fire and Rescue Services. It was brought into effect on 1 April 1993 and replaced the community charge system.
- 1.2 The council tax pays for a large range of council services which include (for this year)
- - an average of 51,378 free school meals served a month
 - prevented more than 500 families from becoming homeless
 - collected 111,820 tonnes of waste (446kg for each resident)
 - looked after 5,061 children in the council's children's centres
 - looked after 950 hectares of parks, open spaces and woodland
 - helped over 11,000 older and vulnerable adults
 - used 1,300 tonnes of grit on roads during the winter period
- 1.3 Council tax was calculated on eight valuation bands which were based on the estimated value of residential properties as of 1 April 1991. Depending on an individual's income and circumstances they may be entitled to help with council tax in the form of council tax benefit, which if awarded reduced the council tax bill.
- 1.4 The introduction of changes to the welfare system by central government in April 2013 (Local Government Finance Act 2012), had resulted in local authorities reducing the amount of benefits issued to residents. Plymouth City Council approved a scheme which resulted in every-one of working age being required to pay at least 25 percent of their council tax bill. The introduction of the scheme had led to many vulnerable people having to pay council tax for the first time.
- 1.5 Council tax was a priority debt and as such should be paid before any non-priority debts such as credit debts, hire purchase agreements, unsecured bank loans, etc.
- 1.6 The most recent evidence published reported that 8.8 million people in the UK had 'problem debt' and out of this figure 2 million people were in receipt of benefits, whilst the remainder were in work, students or pensioners.
- 1.7 At a meeting of the Cooperative Scrutiny Board on 7 August 2013, the Cabinet Member for Finance raised concerns relating to evidence based information showing that residents were going into debt in order to pay council tax and costs incurred relating to debt recovery action.
- 1.8 This report summarises the findings of the cooperative review group and makes a number of recommendations to help improve the process.

2 SCRUTINY APPROACH

2.1 The Co-operative Scrutiny Management Board approved the establishment of the co-operative review to look at Council Tax (Attachment of Earnings) at its meeting on 7 August 2013.

2.2 Co-operative Review Aims and Objectives

2.2.1 The aims of the Council Tax (Attachment of Earnings) review were to –

- identify the impact on residents and the Council;
- analyse the reasons why people are going into debt (was this due to poor financial management);
- identify the support that the Council provides and also voluntary sector;
- have a better understanding of the process.

2.2.2 The objectives of the co-operative review were to clarify the financial impact on both working residents and residents receiving benefits of not paying council tax, the debt recovery process and whether any improvements could be implemented.

2.3 Co-operative Review Membership

2.3.1 The co-operative review group had cross-party membership comprising the following –

- Councillor James (Chair)
- Councillor Mrs Aspinall
- Councillor Bowyer
- Councillor Casey
- Councillor Tuffin

2.3.2 For the purposes of the review, the co-operative review group was supported by -

- Giles Perritt, Head of Policy, Performance and Partnerships (Lead Officer)
- Helen Wright, Democratic Support Officer

2.4 Co-operative Review Methodology

2.4.1 The co-operative review group convened for one session, on 15 November 2013 to review the documentation submitted as evidence and to hear from a number of witnesses.

2.4.2 Witnesses -

- Councillor Lowry (Cabinet Member for Finance)
- Jo Ryder (Council Tax Service Manager)
- Paul Dean (Court Officer)
- Steve Meakin (Advice Plymouth)
- Sarah McNiece (Advice Plymouth)

3 FINDINGS

3.1 As a result of the changes to the welfare system which had been implemented in April 2013, a total of 19,280 households in Plymouth had seen a reduction in council tax support of £4 per week.

3.2 In April 2013, 13,395 customers had not paid the first month's scheduled instalment compared to 6,184 in April 2012, which represented a 116 percent increase. This figure included 5,943 customers who were eligible to pay council tax for the first time. During the first quarter of 2013/14 customers wishing to discuss council tax arrears on a 'face to face' basis increased by 49.54 percent.

3.3 Currently 19,280 residents were eligible to pay council tax for the first time. For this group of residents (between April and September 2013), the following had been issued -

- 14,408 reminders
- 6,224 summonses
- 3,798 liability orders
- 2,308 attachments to benefits
- 54 attachments to earnings

3.4 Debt Recovery Process

3.4.1 The debt recovery process for non-payment of council tax, was set out below –

- the first reminder would be sent out when the payment was overdue by 14 days;
- a summons was issued 21 days later;
- a court hearing would take place 21 days later at which a Liability Order was obtained;
- once a Liability Order was obtained an attachment to earnings or benefits could be set up (unless there was already an excessive amount being deducted)
- bailiff action was taken as a last resort;

3.4.2 It was important to note that any stage of this, process customers were urged to contact the council at the earliest opportunity to avoid potential debt recovery action. The focus of the reminder notice sent to customers, prior to the court summons, had been changed to encourage payment and reflect the need to contact the council.

3.4.3 If a customer was experiencing difficulty in paying council tax or had fallen into arrears, there were a number of options that were considered, such as –

- lower payment instalments;
- 12 monthly instalments;
- weekly and fortnightly instalments
- payment plan
- Liability Order

3.4.4 An option to provide a lower payment arrangement had been introduced which enabled customers, who were in receipt of benefits and unable to meet their instalments, to begin to adapt to paying council tax for the first time and also ensure that they got into the habit of paying.

These cases were closely monitored and could be re-negotiated in order to provide time to manage incomes and negotiate payments with other debtors such as credit cards, loans, etc.

- 3.4.5 In addition to the introduction of 12 monthly instalments, customers were also given the opportunity to pay either on a weekly or fortnightly basis.
- 3.4.6 It was noted that bailiff action would only be considered as a last resort, in order to avoid additional costs being incurred (the average cost of bailiff action was £300). However, it was important that recovery action was taken for non-payment to avoid the burden falling on the remaining council tax payers. The number of bailiff instructions made in Plymouth in 2012 was 7,894 (this figure included actions for car parking enforcement) which equated to a bailiff visiting one in 14 households within the city.
- 3.4.7 The council was also able to apply to a Magistrates' Court for a Liability Order against the customer. If the court granted the Liability Order, the council had a number of options to recover the debt. One option considered was a council tax attachment of earnings order. The cost of the Liability Order was currently £83 (which included the cost of the Order together with the council's associated costs). It was reported that the Magistrates' Court charged £3 per Liability Order issued. The group raised concerns as to whether the council's associated costs of £80, were actually proportionate and reasonable and whether the most vulnerable customers should have to pay for the overheads of the overall recovery process, including the cost of late payers who paid before court action.
- 3.4.8 Where a customer was in receipt of benefits, or employed and their employment details were held, an attachment order was made following the court hearing. The amounts that were deducted were set by legislation and were unable to be altered by the council (as referred to below) –

Net Weekly Earnings	Deduction Rate %
Up to £75.00	0
Exceeding £75.00 but not £135	3
Exceeding £135 but not £185	5
Exceeding £185 but not £225	7
Exceeding £225 but not £355	12
Exceeding £335 but not £505	17
Over £505	17 % for the first £505 and then 50% for the remainder
Customers in receipt of benefits	£3.60 deducted per week

- 3.4.9 A request was sent to either the Department of Work and Pensions or the employer advising of the deduction amount. Confirmation of the deduction was sent to the customer. If the customer's source of income was unknown, a notice was sent informing the customer that a Liability Order had been obtained and requesting details of their income. On receipt of this information a decision was made on the most appropriate way to recover the debt.

3.5 Impact of Council Tax Arrears on Both Residents and the Council's Budget

- 3.5.1 There was a close association between mental health issues and debt. One in two British adults with a problem debt also had a mental health problem. Such mental health problems affected the way in which people thought, felt or behaved and could have a negative impact on their lives and their family and friends. One in six adults had a mental health problem such as depression, anxiety, panic disorder, etc. (It was important to note that Advice Plymouth employed one mental health advocate on a part time basis).
- 3.5.2 In the majority of cases those customers in arrears were unaware of the severe implications of not paying their council tax bills. With the threat of bailiff action or imprisonment this directly impacted on any children in the household and could have the effect of pushing them in to poverty. Customers faced with extreme hardship were forced to make difficult financial decisions such as taking out loans from door to door lenders or pay day loans which attracted extremely high interest rates.
- 3.5.3 Whilst there was no clear evidence that the requirement to pay council tax was increasing the number of people in debt there is nonetheless an impact on those who already have problem debts.
- 3.5.4 However, council tax was a significant source of the council's core funding which equated to over 40 percent of its total resources available to provide services to the public. In setting the council's budget an allowance was included for the non-collection of council tax (currently 2.5 percent). However, if less council tax was collected than budgeted for, this could result in difficult decisions being made to address the deficit, such as cuts to services or an increase in the level of council tax charged.

3.6 Support Provided to Customers

- 3.6.1 In recognition of the impact of the Welfare Reforms the council had adapted its recovery strategy to a more proactive and supportive approach. A more proactive approach had been adopted in contacting customers to discuss non payment with specific focus on payment options and frequency, payment plans, financial management and also signposting customers to other organisations who could help. Customers' circumstances were reviewed to ensure that the appropriate discounts and benefits were in place.
- 3.6.2 Advice Plymouth was a formal consortium of not for profit advice agencies, commissioned by the council to deliver a co-ordinated advice and information service for the people of Plymouth. The consortium included the following organisations –
- Plymouth Citizen's Advice Bureau
 - Age UK Plymouth
 - Routeways Ltd
 - Plymouth Guild
- 3.6.3 Advice Plymouth provided advice and information on the following areas –
- benefits
 - consumer
 - employment

- housing
- legal
- money and utilities
- relationships
- tax and tax credits
- water debt gateway

3.6.4 Customers approaching Advice Plymouth for support relating specifically to council tax arrears were made aware of their responsibility to pay this debt and the implications of not doing so. Customers were advised of all the facts in order to be able to make informed lifestyle changes. Support was provided by investing key issues, such as –

- maximising income streams (increasing hours of work);
- looking for a job
- reviewing entitlement to benefits;
- contributions by independents living at home;
- budgeting skills (reduce energy costs, food expenditure, etc)

3.6.5 Advice Plymouth found that in many instances customers in arrears did not engage at an early stage and as such these cases were particularly challenging to resolve. Early intervention with customers was crucial, although this had been difficult to achieve. It was considered that customers' perceptions needed to be changed relating to the service provided by the council (customers were fearful of contacting the council as they thought they would receive a negative response).

3.6.6 It was important to be able to assess customers' needs when the initial approach was made to Advice Plymouth. This enabled the right level of support to be provided to customers, thus better utilising the limited resources available.

3.6.7 Staff dealing with the collection of council tax were trained to take a holistic view of the customers' situation. Staff were able to signpost customers to various support groups including Advice Plymouth and provide information on the council's hardship funds.

3.6.8 The council had several discretionary 'pots' of money which offered financial support to eligible residents, such as the –

- Emergency and Welfare fund (used in the case of a crisis or resettlement)
- Discretionary Housing Payment fund (providing support for those who are unable to afford rent or removals costs)
- Council Tax Exceptional Hardship fund (provided for those struggling to pay council tax);
- Homeless Prevention Fund

3.6.9 As take up of the Council Tax Exceptional Hardship fund was currently low, council staff were actively encouraging residents who faced extreme hardship to apply for this fund. A trial was currently taking place as to the best way to contact customers, ie either by telephone or completing a form.

3.6.10 The council had produced a 'Money Advice' booklet to help residents better understand the changes following Welfare Reforms and also worked closely with the local Credit Union (City of Plymouth Credit Union) to encourage residents to save and to access affordable borrowing.

3.7 Consultation on Proposed Changes to Council Tax Support Scheme

3.7.1 Councillor Lowry (Cabinet Member for Finance) informed the group that following Government changes to the welfare system the council approved a local Council Tax Support Scheme in April 2013, which resulted in everyone of working age being required to pay at least 25 percent of their council tax bill. It was proposed to reduce this to 20 percent from April 2014. There was a further proposal to reduce the cost of a Liability Order from £83 to £60 also from April 2014.

4 CONCLUSIONS

- 4.1 In view of the evidence provided, the group was in full support of the proposal to reduce the minimum contribution that working age people should pay toward their council tax bill from the current 25 percent to 20 percent and also the reduction in the cost of a Liability Order from £83 to £60.
- 4.2 Lower instalment payments had been introduced in order to assist customers to pay their council tax bills. The group felt that a further option should be considered whereby a 'tapered' repayment schedule was introduced for those in council tax arrears (the initial repayments would be lower and would gradually increase).
- 4.3 Whilst staff employed by the council had the option for their council tax to be deducted from their salaries, this facility was not currently available from other employers based in the city. The group thought that this was good practice and as such should be further investigated to ascertain whether this option could be offered by other employers.
- 4.4 The group considered that in order to promote better financial management, tenants should be made aware of any council tax liabilities as part of the letting process. Tenants would be able to make informed financial decisions prior to renting a property.
- 4.5 The group heard from Councillor Lowry (Cabinet Member for Finance), that there had been a low take up of the Council Tax Exceptional Hardship fund and suggested that monies from this fund could be made available to encourage customers to open a bank/savings account with a Credit Union which would help them to better manage their finances and assist them to pay their bills. The group considered that this matter should be further investigated.
- 4.6 There were a number of reasons why customers in arrears were not engaging with the council, at an early stage. Some customers found the wording and the complexity of the correspondence extremely confusing. The group thought that a review should be undertaken to specifically focus on the language used in the correspondence sent to those in council tax arrears.

- 4.7 Information provided on the council’s website relating specifically to council tax arrears was not easily accessible. The group considered that the website’s home page should contain an icon which directed customers to information and advice relating to arrears.
- 4.8 Currently customers contacting the council to discuss council tax arrears did so by using the council’s main switchboard number. These conversations could be lengthy due to the complexities of the customers’ circumstances. The group considered that these customers were already facing extreme hardship and by paying for these telephone calls would have a further detrimental effect on their circumstances. It was considered that the feasibility of providing a ‘freephone’ number for council tax arrears enquiries should be investigated.

5 RECOMMENDATIONS

5.1 The co-operative review group recommend that –

1	the Co-operative Scrutiny Board supports the proposal that Plymouth City Council should reduce the minimum contribution that working age people should pay towards their council tax bill from the current 25 percent to 20 percent;
2	the Co-operative Scrutiny Board supports the proposal that Plymouth City Council should reduce the fee charged when the Council makes an application for a Council Tax Attachment of Earnings order from £83 to £60;
3	the Assistant Director for Finance, Efficiencies, Technology and Assets should consider the benefits of introducing a ‘tapered’ repayment schedule for those in council tax arrears, where initial repayments are lower and gradually increase, and report back to the Board with his findings and recommendations within three months;
4	the Assistant Director for Finance, Efficiencies, Technology and Assets should take steps to ensure that the largest possible number of employers in the city provide the facility for the deduction and payment at source of council tax from employees’ remuneration;
5	the Assistant Director for Homes and Communities should engage with the city’s landlords to ensure that prospective tenants are aware of council tax liabilities as part of the lettings process;
6	the Assistant Director for Homes and Communities should engage with the Assistant Director for Finance, Efficiencies, Technology and Assets to identify what financial incentives could be offered from the council tax exceptional hardship fund to those at risk from council tax arrears to begin saving with a Credit Union;

7	the Assistant Director for Finance, Efficiencies, Technology and Assets should review the language used in correspondence with those in council tax arrears and gain an independent verification of its accessibility;
8	the Assistant Director for Finance, Efficiencies, Technology and Assets should engage with the Head of Communications to ensure access to advice and support for those struggling to pay council tax through the council's digital channels;
9	the Assistant Director for Finance, Efficiencies, Technology and Assets should consider the introduction of a freephone number for those needing advice about council tax arrears.

6 Acknowledgement

The co-operative scrutiny review group wished to acknowledge the valuable work undertaken by staff employed within the council's revenues and benefits department and also the good quality advice and support provided by Advice Plymouth.

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