

# Our Council Scrutiny Panel

Minutes - 12 June 2019

## Attendance

### Members of the Our Council Scrutiny Panel

Cllr Alan Bolshaw  
Cllr Caroline Siarkiewicz  
Cllr Payal Bedi-Chadha  
Cllr Milkinderpal Jaspal  
Cllr Jane Stevenson (Vice-Chair)  
Cllr Susan Roberts MBE  
Cllr Simon Bennett  
Cllr Dr Paul John Birch J.P.  
Cllr Paula Brookfield (Chair)  
Cllr Roger Lawrence  
Cllr Hazel Malcolm

### In Attendance

Cllr Louise Miles, Cabinet Member Resources

### Witnesses

Helen Child (Chief Officer, Citizens Advice Wolverhampton)

### Employees

Julia Cleary	Systems and Scrutiny Manager
Tracey Richards	Recovery Manager
Lisa Taylor	Head of Service Improvement
Claire Nye	Director of Finance

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## Part 1 – items open to the press and public

*Item No.*     *Title*

- 1 Apologies**  
Resolved: There were no apologies for the meeting.
- 2 Declarations of interest**  
Resolved: There were no declarations of interest recorded.
- 3 Minutes of previous meeting (10 April 2019)**  
Resolved: That the minutes of the previous meeting be agreed as a correct record.

**4 Matters arising**

The Panel noted the implications of the change in method of calculation detailed on page 4 of the minutes, which stated that the new maximum period of useful economic life should be reduced from 99 years to 50 years.

The Panel noted that specific training was being arranged by Organisational Development to address the responsibility of the panel to scrutinise the treasury management strategy document. The panel also noted that general finance training was included as part of the induction training being developed for Councillors.

It was also confirmed that work on the kitchen for Digital Print Services was progressing.

**5 Enforcement Agents Council Tax**

The report was introduced by Cllr Louise Miles, Cabinet Member for Resources.

The Panel welcomed Tracey Richards (Recovery Manager), Helen Child (Chief Officer, Citizens Advice Wolverhampton) and Claire Nye (Director of Finance) to the meeting.

The report provided an overview of the collection process for council tax in accordance with the collection and debt strategy and highlighted the current initiatives.

The report also described the use of enforcement agents in the collection process.

The Panel understood that there was national concern regarding collection and debt strategies and what appropriate action should be. The Panel noted that there had been a debate in the House of Commons around the issue.

The Panel considered which area it would be best to focus attention on. The Director for Finance stated that the original remit had been around debt recovery and possibly the use of enforcement agents. It was suggested that there be an initial focus on Council Tax as this was of interest and was a general strategy and could be widened out.

The Panel considered the problem with taking a person to court for being in debt as this often just increased their debt further.

The Panel considered that any budgeting advice provided should also include representatives from Wolverhampton Homes, noting that they were not regulated to provide debt advice.

If the Council were unable to collect all of the council tax in the year it becomes due, then this directly affects the Council's budgets. It was however stated that most of the monies not collected in Year 1 were collected by Year 5.

The Panel agreed that there was a need to ensure that the Council respected the problems that people had so debt support was absolutely crucial. There were however also cases where people with adequate resources did not pay.

The Recovery Manager stated that the Council was reviewing the way it communicated with customers regarding council tax, recognising that customer behaviour was changing. Some authorities had reported an increase in customer engagement using texting, emailing and automated voice messages, which was being considered initially as a pilot by the Council.

The City of Wolverhampton Council was one also of 29 local authorities undertaking a pilot where council tax data was matched with Her Majesty's Revenues and Customs (HMRC) to identify employment and latest address information. This would enable deductions to be taken directly from their earnings where vulnerability was not identified. The pilot was for 4,000 accounts which had a combined arrears value of £8.5 million. The Recovery Manager suggested a progress report on the impact of the HMRC pilot scheme could be presented to a future meeting of the panel.

The Cabinet Member agreed that collection was a balancing act and she was keen to look at whether the Council was signposting people effectively to the help that was available.

The panel expressed concern regarding liability orders and stated that when the cost of the enforcement agent was passed onto the debtor, then the original debt could grow quickly. The Recovery Manager advised the panel that there is a compliance charge of £75 for each liability order passed to the enforcement agents, with additional costs charged if progressed to enforcement stage.

The panel commented that it was thought correct that they should be charged but that it would be a kinder approach if people knew they would be charged from the start. People were often in debt for a reason. People did not generally withhold funds because then wanted to but because they could not pay, and the Council needed to consider how it could help these people to pay and to stop them getting into further debt.

Cllrs considered that early prevention was best and that it would be useful to understand which actions resulted in successful collection.

It would also be useful to see the outstanding balance over a longer time period to see if this was going up or down and why.

The Panel queried whether there was any work being done to support people who were not claiming their entitlements as this could add to numbers going into debt.

The Cabinet Member stated that the government had given the Council the power to raise income through council tax, so it was the Council's responsibility to collect it. It was often the same households year on year who were not able to pay.

The Recovery Manager stated that when the level of debt is at a lower level, there were reduced fees when issuing the summons, so that it was proportionate to the level of debt. The aim was to try and get people into the habit of paying; it was a priority debt and there were high repercussions for a household if they did not pay.

The Panel noted that attachment orders were a good idea as they could consider earnings and expenses. The Recovery Manager confirmed that there was a priority for attachment orders.

Some Cllrs considered that it might be useful to look at collection rates and debt recovery for people owing business rates as well as.

Mrs Child explained that the Citizens Advice Bureau was looking at both in work and out of work indebtedness as volatility of income was one of the main determinants along with zero-hour contracts and flexible working.

It was stated that it was generally the same households that were unable to pay with people with multiple years of council tax debt. This debt was the single biggest debt both in value and in the number of people who approach Citizens Advice. The change in council tax benefit to a council tax reduction scheme had made the system more complex and the spike continued to rise as universal credit made it even more complicated (about 50% of those in debt were also claiming universal credit); there was often nothing left after paying the bills to meet basic needs.

Housing costs were also wrapped up in universal credit, so people were not making a claim when they could, and it was one of the biggest unclaimed entitlements. There was a need to try and get social landlords to help education tenant regarding this. It was confirmed that advice was included in the council tax demands to encourage people to seek support and claim reductions.

The Panel considered the issue of Houses in Multiple Occupation where students did not have to pay council tax. The Panel considered that this could be an issue as landlords made extra money by splitting houses up and not paying council tax. The Director for Finance confirmed that this was national policy but that the Council was aware of where all of these properties were.

It was noted that the Local Government Association was looking into this issue.

The Recovery Manager confirmed that the Council did work with Wolverhampton Homes, through the money smart team, around discretionary housing payments.

The Panel considered that it might be interesting to look at where multiple debts occurred with a focus on council tax and business rates.

Resolved:

1. That the arrangements included in the Collection and Debt Strategy for council tax arrears be noted.
2. The Recovery Manager to present a report to the panel on key findings from the HMRC pilot and also work done to support people with multiple debts, including business rates, to a future meeting.

The chair requested that if the Panel had any recommendations for the format of the budget scrutiny papers that they feed them into the clerk or herself.

The Panel considered that there was a need to understand the context within which the budget was set and the chair confirmed that for this Panel it was important to have the whole budget rather than an excerpt.

Resolved: That the workplan be noted.

## 7 **Customer Services Update**

The Panel welcomed Lisa Taylor, Head of Customer Services, to the meeting.

Every day on average, Customer Services received 2500 calls (Mondays were busiest and regularly exceed 3000 calls), 350 emails and 450 visitors to reception.

It was noted that the call-back process had been stopped from December 2018 following feedback from customer service officers.

During the period when charges were introduced for the garden waste collection service call demand had increased by 150% but that demand was now back to business as usual. It was stated that on average a customer services officer would take between 60-80 calls per day.

Contact data had been reviewed across all contact channels to ensure that resources were targeted to demand. A family group model had also been implemented from 1 May 2019 with services and resources grouped by demand and skill sets.

The Panel noted that phase 2 of the restructure had now been completed and work was continuing with services based on new style knowledge structures and business rules. Performance information was also being shared across the contact centre.

The next stages would include recruitment to a new Senior Customer Service Officer post, the introduction of new style knowledge base business rules, service liaison meetings lead by team leaders, the physical co location of family groups and a review of the email process to identify efficiencies.

The Panel expressed some concern regarding the senior officer post, and it was thought that resources would be spent on employee answering the phones.

It was clarified that the new role would still include answering the phones, dealing with emails and working on reception but would also have a little bit more responsibility.

The Panel queried what the targets were as some panel members considered a 5% improvement in calls offered and handled was low over a 12-month period. It was stated that the target abandonment rate was 15% and that the contact centre was maintaining this. Regarding the performance rate; each individual target varied depending on the area they were working in.

Some Cllrs considered that 5% was good and that marginal gains were significant.

The Panel queried how the Council monitored whether calls were being handled correctly by the departments once they had been answered.

It was stated that this would depend on the service area.

The Panel queried whether steps had been taken regarding technology to allow customer services staff to work at home. The Head of Customer Services confirmed that she had met with telephone providers and that this was an aspiration. Staff were able to work from home at the moment and could answer emails but could not take phone calls.

The Panel expressed some concerns around data protection and requested that any proposals come to scrutiny in the first instance, it was discussed that Cllrs often got phone calls at home and dealt with them.

The Panel agreed that it was important to avoid the danger of micro managing customer services. There was an aspiration to have a very good customer services operation and to monitor the outcomes of the transformation.

Resolved: That the update be noted.

8 **Exclusion of press and public**

Resolved: That the press and public be excluded.

9 **Outturn report on 2018-19 Disposal Programme**

The Panel welcomed Julia Nock (Head of Assets) to the meeting.

A report was presented to provide the outturn for 2018-2019, an update on the general fund capital receipts from property disposals for 2019-2020 and further outline the steps being taken to establish a future disposals pipeline from 2020-2021 onwards.

Capital receipts from property disposals were a critical part of the Medium-Term Financial Strategy. It was important that the Council had a predictable and resilient plan to accurately predict the time and amount of future receipts and demonstrate that best value was being achieved.

The Panel congratulated the Head of Asset's team the work that had been undertaken and was continuing.

Resolved: That the briefing note be received.