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## Revenue & Benefit Services - Cambridge City Council ANTI-POVERTY STRATEGY

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### 1 Introduction

- 1.1 The Council's Anti-Poverty Strategy approved in 1988 and updated in 2002 contains two principles, which have had particular importance in formulating the Council's approach to the collection of Local Taxes [**Council Tax & Business Rates, Residual Poll Tax**] and in the recovery of overpaid **Housing & Council Tax Benefit**.
- (a) To maximise individual income levels through the provision of welfare rights information and advice and the prompt, sensitive and accurate administration of Housing and Council Tax Benefit.
  - (b) To collect outstanding debts and charges in as sensitive a manner as possible, to ensure that further hardship, distress or financial difficulties are not created.
- 1.2 The approach advocated is one, which seeks to strike a balance between the need to maximise income to the Council and the desire not to cause further hardship to the poorest within the community. The main principles, which underline this approach, are: -
- (a) the Council is trying to prevent debt occurring by maximising benefit take-up.
  - (b) no reasonable offer of payment should be refused.
  - (c) the main measure of success should be those cases which are under control. This will include, not only those people who are up-to-date with their payments but also those who have made and are keeping arrangements to pay arrears. This contrasts with the traditional use of the percentage of cases in arrears as the Performance Indicator for debt recovery.
  - (d) clear information will be provided.
  - (e) early contact [Reminders] will be made in the recovery process when payments are missed.
  - (f) the Council will work closely with independent advice agencies, welfare rights agencies and other such organisations within the City.
  - (g) a co-ordinated approach will be adopted when money is owed to more than one Council department.
  - (h) The authority will increase the range of payment facilities [e-payments] and options to make payments.

1.3 The Council's **Anti-Poverty Strategy** acknowledged that many individuals and whole households in Cambridge are living in poverty – some in absolute poverty and many more in relative poverty.

## **2 Anti-Poverty Strategy**

2.1 The Council adopted an Anti-Poverty Strategy at the time of the introduction of the Poll Tax (Community Charge) and asked all Committees to consider its implementation, based on the following principles: -

- to provide services based on need, rather than ability to pay;
- to maximise individual income levels through the provision of welfare rights information and advice and prompt, sensitive and accurate administration of benefit;
- to collect outstanding debts and charges in as sensitive a manner as possible to ensure that further hardship, distress or financial difficulties are not created;
- to raise awareness of the general public, Council officers, individuals, groups and communities of poverty in Cambridge, its origins, effects and possible remedies;
- to ensure that lack of income does not affect a person's ability to participate in decisions about issues which affect them;
- to provide skills, training and encouragement to those people who need to be able to express themselves and overcome their experiences of dependency and powerlessness;
- to ensure that the benefits arising from capital and revenue expenditure by the Council accrue to those in greatest need.

2.2 Whilst it is acknowledged that the Poll Tax (Community Charge) was replaced by the 'Council Tax' in April 1993, the original principles agreed by Members in relation to the Anti-Poverty Strategy, remain in place.

2.3 As part of the findings of the Income Wealth & Opportunity Report, commissioned by the City Council and the Councils continued need to ensure that there is equality throughout in its dealings with the collection of local taxes and the administration of Housing and Council Tax Benefit, the City Council remains fully committed to the principles of the Anti-Poverty Strategy.

2.4 A Corporate Objective of Cambridge City Council ("the Council") is to remove barriers created by poverty, ignorance and conformity.

2.5 The City Council recognise that many people within the community are required to make regular payments to the Authority in relation to services provided, or services supplied as part of its statutory functions.

- 2.6 The Council also recognise that there is a need for a thoughtful, well organised and efficient payment and collection system for Local Taxation [Business Rates & Council Tax] and benefit overpayments, as well as continued activities associated with the collection of residual Poll Tax and they are under a duty to maximise the collection of these taxes/payments.
- 2.7 Some people will experience difficulties in paying local taxes and the City Council will, as part of its '**Anti-Poverty Strategy**', wish to be aware of the social implications in relation to any enforcement policy that it adopts in relation to the services provided within Revenue & Benefit Services.

### **3 Procedures**

- 3.1 As with all debts, the Council will wish to distinguish between those who **cannot** pay and those who **will not** pay local taxes.
- 3.2 The City Council will provide (within the framework of the Local Government Finance Acts) an efficient and cost effective debt recovery procedure.
- 3.3 The City Council local taxation enforcement and recovery procedure must be sufficiently effective to ensure that whenever they have the means, **tax/chargepayers pay their debts and are not able, or encouraged to avoid their obligations.**
- 3.4 As part of its 'Anti-Poverty Strategy', Revenue & Benefit Services' staff will consider debtor's personal, family and social circumstances and will provide clear, sensitive arrangements for those who need extra time to pay outstanding debts.
- 3.5 Revenue & Benefit Services will provide clear, written, enforcement and recovery guidelines to all staff, bailiffs, collection agencies, rent collectors and others who may be involved in the collection, recovery and enforcement of local taxes, recovery of overpaid benefit and residual Poll Tax (Community Charge).
- 3.6 Staff will have easy access at every stage to Revenue & Benefit Services' debt recovery procedure, to help them provide advice on debts to tax/rate payers. Staff will also attempt to identify potential problems with regard to debts and deal with them as soon as they arise.
- 3.7 Clear information about enforcement and recovery procedures will be provided to individuals and advice agencies on request, so that tax/chargepayers know where they stand and have a clear understanding of the procedures that are followed by the Council.
- 3.8 Debtor's will be protected from harassment and undue hardship and Revenue & Benefit Services' staff will seek to provide advice and guidance to debtors to help resolve the debt problems at an early stage, rather than allow debts to escalate out of control.

- 3.9 Revenue & Benefit Services' staff will, when consulting with debtors, consider the differences, which may exist between the well-organised creditor and badly, organised debtor and achieve a fair balance between any claims of competing creditors.
- 3.10 Having identified between those who **cannot pay** and those who **will not** pay, staff within Revenue & Benefit Services will, during the stages of enforcement, take into account an individual's personal circumstances and their ability to pay the charge.

#### **4 Factors for Consideration**

- 4.1 The Council will consider the following factors before initiating enforcement proceedings.
- a. What is the status of the individual concerned;
- Full Tax/Chargepayer,
  - Student, Exempt,
  - Resident
  - Tenant
  - Pensioner
  - Single Parent
  - Disabled person
  - In need of care
  - Asylum seeker
  - Severely ill
  - Homeless
- b. For Council Tax/Business Rates enforcement, is the individual liable for Council Tax/Business Rates?
- c. Has a 'demand notice' (bill) been issued to the individual (by name),
- d. Has the individual paid the tax/rates/charge?
- e. Has the individual incorrectly paid into another account?
- f. Has the individual made an objection/appeal and paid a tax/rates/charge to another authority?
- g. Has the individual requested/received Housing or Council Tax Benefit, Council Tax discount, exemptions or Business Rate relief?
- h. Has the individual any outstanding debts with other departments within the Council?
- i. Are the Council able to use their discretionary powers?
- j. For residual Poll Tax (Community Charge) enforcement, was the individual entered on the Community Charge Register for the Authority?
- 4.2 The City Council has adopted a Corporate approach to debt recovery through the Enforcement Concordat Working Group.

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