

Case 200603479: The City of Edinburgh Council

Summary of Investigation

Category

Local government: Finance; council tax

Overview

The complainant (Mr C) raised a number of concerns relating to the way in which The City of Edinburgh Council (the Council) had dealt with his correspondence and subsequent appeal in relation to council tax liability, and the way in which his complaint about this matter had been handled.

Specific complaints and conclusions

The complaints which have been investigated are that the Council's:

- (a) response in not treating Mr C's letter of 6 December 2005 as an appeal was unreasonable (*upheld*); and
- (b) administration of Mr C's correspondence and investigation of his complaint was inadequate (*upheld*).

Redress and recommendations

The Ombudsman recommends that the Council:

- (i) introduce a system to record all council tax appeals on receipt. Target dates should be set to ensure that all appeals are actioned within ten days of receipt, and where appropriate cases are referred to the Valuation Appeals Committee within two months of receipt, unless additional information has been requested. Management information should be produced to provide assurance to senior managers that management and legislative targets are being met, or to identify the need for remedial action to be taken in good time where the targets have not been met. The Ombudsman asks that the Council inform her on the introduction of this recommendation; and
- (ii) review their complaints handling process, introduced in 2006 to ensure it properly identifies the root causes of complaints and uses this information to identify service improvements.

The Council have accepted the recommendations and will act on them

accordingly.

Main Investigation Report

Introduction

1. Mr C is the joint owner of a property which had been let to a student until the end of June 2005. He advised The City of Edinburgh Council (the Council) by letter, that the property was unoccupied from the end of June 2005. He believed that the Council's response advising him that the property would only qualify for a 10% reduction in the council tax liability was erroneous, and asked the Council to reconsider the matter. The Council, however, maintained their decision was correct and would stand.

2. Mr C sent several letters to the Council between June 2005 and June 2006, including a letter of appeal dated 6 December 2005 against the Council's decision. However, he stated appeal letter was not treated as an appeal by the Council, and in some instances he did not receive either an acknowledgement or a response to his letters. Mr C, therefore, formally complained to the Council on 15 June 2006, claiming that he was the victim of serious maladministration. He remained unhappy with the Council's final response to his complaint, and, in February 2007 he asked the Ombudsman to investigate the matter.

3. During the course of my investigation, and in response to my enquiries, the Council accepted that unfortunately they had fallen below an acceptable level of customer care in their dealings with Mr C. In recognition of this failing the Council agreed to pay Mr C £50 compensation, together with a further £10 in light of the delays he had experienced in dealing with the Council.

4. The complaints from Mr C which I have investigated are that the Council's:

- (a) response in not treating Mr C's letter of 6 December 2005 as an appeal was unreasonable; and
- (b) administration of Mr C's correspondence and investigation of his complaint was inadequate.

Investigation

5. In considering this case I made written enquiries of the Council on 25 May 2007, and received their response on 12 June 2007, I also spoke with Mr C and officers of the Council. In addition, I identified and considered relevant legislation, and I reviewed the Council's policies, procedures and guidance in relation to council tax administration and Customer Service

standards.

6. The Council's internal guidance for dealing with council tax appeals states that on receipt of an appeal the Council should consider whether they can revise their decision. Where a decision cannot be revised, the Council should write to the customer advising that the case has been reviewed and the original decision stands. At this stage the customer should be advised that they have the statutory right of appeal against this decision to the Valuation Appeals Committee. The guidance also states that an appeal should be actioned within ten days of receipt.

7. The Local Government Finance Act 1992 Paragraph 81 states that a person may appeal to a Valuation Appeals Committee if he is aggrieved by any calculation made by a levying authority of an amount which he is liable to pay to the authority in respect of council tax. An authority has a period of two months in which to consider the appeal, and decide whether more information is required, or pass the appeal to the secretary of the appeal tribunal.

8. The Child Poverty Action Group's Council Tax Handbook is widely used by many local authorities, including the Council, in their administration of the council tax scheme. It provides a practical guide to all aspects of council tax legislation. Relevant statutory material is accompanied by an expert commentary, and information is fully indexed and cross referenced. It provides guidance on all aspects of council tax including exemptions and appeals.

9. The Child Poverty Action Group's Council Tax Handbook also confirms that on receipt of the appeal the Council has two months in which to consider the matter, but may ask for additional information; otherwise the appeal should be referred to the secretary of the appeal panel.

10. On their website the Council states that 'Customer care is the cornerstone of everything we do. We have a charter which explains the service you should receive when dealing with us', and in their publicised contact details the Council state 'where possible we will try to sort out your query immediately. If we can't, we will respond to you within ten working days or keep you updated with the reason for any delay'.

11. In their 'Customer Care Charter Guide – Putting the Customer First', the Council states 'we will answer your letters within ten working days of receiving

them or keep you updated if an answer will take longer'. Their internal 'Customer Service Performance Standards – A Guide for Staff' also advises staff that in responding to letters 'you will answer all letters within ten working days of receiving them or keep the customer updated if an answer will take longer'.

12. In May 2006 a new complaints handling process was introduced by the Council's Revenues and Benefits Division. This is underpinned by a Complaint Management Procedure endorsed by the Executive of the Council in April 2006. This procedure identifies the need to understand the root causes of complaints and to use this information to identify trends and service improvement requirements.

13. I have not included in this report every detail investigated but I am satisfied that no matter of significance has been overlooked. Mr C and the Council were given an opportunity to comment on a draft of this report.

(a) The Council's response in not treating Mr C's letter of 6 December 2005 as an appeal was unreasonable

14. On 26 September 2005 Mr C wrote to the Council explaining his interpretation of the council tax legislation and requested that the Council reconsider his council tax liability accordingly. The Council did not acknowledge or respond to this enquiry, therefore, Mr C wrote again on 14 October 2005 and again on 4 November 2005 requesting a reply to his letter of 26 September 2005. No response was received to these letters. On 6 December 2005 Mr C again wrote to the Council pointing out that he had not received 'even an acknowledgement' to his previous three letters. He advised the Council that if they did not accept that the property was eligible for the discount as previously suggested by him, then they should treat his letter of 6 December 2005 as formal notice of appeal.

15. Rather than treat the letter as a formal appeal, and refer the case to the Valuation Appeals Committee as they were required to do, the Council simply wrote to Mr C restating that the property was only eligible for a 10% discount. This letter failed to notify Mr C of his right of appeal, as required by the Council's internal guidance for dealing with council tax appeals.

16. On 15 June 2006 Mr C complained to the Council's Quality and Customer Care Unit. Following the receipt of Mr C's complaint, the Council wrote to Mr C

on 4 July 2006 to advise him that his appeal would now be sent to the Valuation Appeals Committee. He was told, however, that the next hearing was not due until 24 October 2006.

17. In the event Mr C's appeal was upheld on 7 December, a full calendar year from when the appeal was lodged.

(a) Conclusion

18. The Council failed to follow their guidance in the way they dealt with Mr C's appeal. His appeal was not actioned within ten days, and the Council did not write to him advising that the original decision was correct and that he may appeal against this decision.

19. It was not until Mr C submitted a formal complaint on 15 June 2006 that the Council wrote to him on 4 July 2006 advising that his appeal would now be forwarded to the Valuation Appeals Committee, some five months after it should have been. The Council, therefore, failed to meet their legislative requirement to submit the case to the appeals tribunal within two months of the receipt of the appeal, or request additional information.

20. Based on the evidence available to me, I conclude that the Council's response to Mr C's appeal was unreasonable. I, therefore, uphold this aspect of the complaint. Although the Council have now accepted that the standard of customer service in their dealings with Mr C fell below an adequate level and they have apologised for this and offered a compensatory payment, it is not clear that they have taken action to ensure a similar situation does not re-occur.

(a) Recommendation

21. The Ombudsman recommends that the Council introduces a system to record all council tax appeals on receipt. Target dates should be set to ensure that all appeals are actioned within ten days of receipt, and where appropriate cases are referred to the Valuation Appeals Committee within two months of receipt, unless additional information has been requested.

22. Management information should be produced to provide assurance to senior managers that management and legislative targets are being met, or to identify the need for remedial action to be taken in good time where the targets have not been met.

(b) The Council's administration of Mr C's correspondence and investigation of his complaint was inadequate

23. From January 2006 to June 2006 several letters were exchanged between Mr C and the Council. During this time the Council provided conflicting information to Mr C, on one occasion advising him that he was not entitled to any exemption of council tax.

24. My examination of the correspondence between Mr C and the Council confirms that in ten letters Mr C sent to the Council, he failed to receive an acknowledgement or a response within ten working days on eight occasions. I also found (as reported in paragraph 14) that in some instances the Council actually failed to acknowledge or respond at all to some of the letters sent by Mr C.

25. Where he did receive a response within ten working days, one was in response to Mr C's reminder to three previous letters which the Council had failed to reply to, and the other was from the Council's Customer Care Unit in response to Mr C's letter of complaint.

26. On 30 December 2006, shortly after Mr C was notified that his appeal had been upheld, he wrote to the Council claiming that he was the victim of serious maladministration. He requested a formal written apology, repayment of monies owed to him and a token compensation payment of £50.

27. The Council's response which was dated 5 February 2007 stated that a refund of overpaid council tax would be made, however, at that time the Council did not accept the charge of serious maladministration, therefore, no compensation would be paid. As stated at paragraph 3, however, during the course of my investigation the Council accepted that there had been failings, they apologised for this and offered Mr C a compensation payment.

28. In considering how the Council had investigated Mr C's complaint, I noted that his letter of complaint raised four areas of concern:

- the failure of the Revenues and Benefits Division to refund monies due to him on another council tax account. (This is not related to the complaint made to the Ombudsman);
- the way in which the Council interpreted the council tax regulations;
- the failure of the Council to treat his letter of 6 December 2005 as an appeal; and

- the protracted delays in responding to his previous letter.

29. I could find no evidence in the paperwork supplied by the Council to show that Mr C's complaint had been properly investigated, or that the root causes of the complaint had been identified, analysed and used to prevent similar occurrences or inform service improvements, as required by their Complaint Management Procedures.

30. I examined three Complaint Summary reports prepared by Council officers. None of the three properly summarised the full reasons for Mr C's complaint, and none of the reports identified what actions would be taken internally to prevent a re-occurrence, or the need for any additional staff training.

(b) Conclusion

31. The Council failed to achieve their own internal target, as outlined in their Customer Care Charter Guide, of responding to customer letters within ten working days. They provided a poor service to Mr C by failing to respond to his letters within the required timescales, or indeed by failing to respond at all.

32. I conclude, therefore, that the Council's administration of Mr C's correspondence, and investigation of his complaint, fell below the minimum standard expected, and, therefore, uphold this aspect of the complaint.

(b) Recommendation

33. The Ombudsman recommends that the Council review the complaints handling process, introduced in 2006, to ensure it properly identifies the root causes of complaints and uses this information to identify service improvements.

34. The Council have accepted the recommendations and will act on them accordingly.

19 September 2007

Explanation of abbreviations used

Mr C

The complainant

The Council

The City of Edinburgh Council

List of legislation and policies considered

The Local Government Finance Act 1992