

Report to: **Executive**
Date: **5 February 2008**
Report of: **Executive Member for Resources**
Subject: **Review of Charges for Recovery Costs in respect of Council Tax and National Non Domestic Rates**
Ward: **All**

1. Purpose of the Report

- 1.1 To consider a recommendation to increase the charge to Ratepayers and Council Taxpayers of obtaining a Liability Order and Committal Summons from the Magistrates Court for the recovery of Non Domestic Rates and Council Tax.

2. Consultation

- 2.1 In preparing this report, consultation has taken place with the neighbouring authorities, Director of Finance & Corporate Services, Head of Financial Management, Revenues Staff and the Clerk to the Justices. The report has been approved by the Management Team.

3. Background

- 3.1 The basis of the review of charges is to ensure that, Ratepayers refusing to pay rates and Council Taxpayers refusing to pay Council Tax, bear the cost of recovery.
- 3.2 The current charge for a liability order, last reviewed for 2007-8, is £45 for both Non-Domestic Rates and Council Tax.
- 3.3 The charges are not meant to be penal but are there to represent the cost of recovery up to the stage of obtaining a liability order for non-payment. In addition such charges will only apply in a small minority of cases when all other recovery procedures have been exhausted.

4. Position Statement and Option Appraisal

- 4.1 Outlined below are the present charges made by neighbouring authorities, in obtaining a Liability Order. This recommendation to increase the present charge of £45 to £50 brings the Council in line with other authorities and would be representative of the Council's costs.

		£
Authority	A	55
	B	47
	C	40
	D	40
	E	70
	F	55
	G	64
	H	50

The above indicates the charge for 2007-8 before potential increases for 2008-9.

- 4.2 With reference to Committal work, the current charge for the issue of a Committal Summons is £80 which was set in 2007 and, following a review, I propose to maintain this charge at its current level, in line with neighbouring authorities, to reflect the costs involved with these cases. The issue of a committal summons is rarely used by the Council.

5. Implications

5.1 Financial

- 5.1.1 Although it is always difficult to forecast the number of liability orders the Council will need to obtain in any year, I estimate that the increase will generate further income of approximately £20,000 in 2008-9 and in future years. The income will be offset against the cost of collection.
- 5.1.2 Whilst the number of cases where a Committal Summons is requested maybe limited the charge needs to reflect the additional work involved with each case to get it to that stage, and this income will also be offset against the cost of collection.
- 5.1.3 In the case of Liability orders, the increased income will assist the Council when the 2008-9 and future years General Fund Budgets are finalised.

5.2 Legal

- 5.2.1 The Clerk to the Justices has no objection to the increase, as the charges are proper and reasonable. Given the above and comparison with other authorities, I am confident the proposals are fair and will be accepted.

5.3 Policy

- 5.3.1 These costs are reviewed on a regular basis to reflect increases in the cost of collection.

5.4 Risk

- 5.4.1 A formal risk assessment has been carried out and risks identified are within the corporate risk appetite.

5.5 Communications

- 5.5.1 If the report is approved then the new arrangements will be communicated to all Taxpayers.

6.0 Corporate Implications

6.1 Corporate Plan and Priorities

The report accords with the Councils Objectives and agreed priorities, in particular it assists in achieving the following:

SFE3: "To ensure the corporate health of the Council through sound and prudent Financial Management"

6.2 Equality and Diversity

There are no equality and diversity implications.

6.3 *E-Government*

There are no E- Government implications.

6.4 *Procurement*

There are no procurement implications.

7. Recommendation

- 7.1 Members are asked to approve an increase in the charge of obtaining a liability order in respect of Non Domestic Rates and Council Tax to £50 per case and to reconfirm the existing charge of £80 per case for a committal summons with effect from 1st April 2008. These charges will be reviewed annually.

Background Papers –District of Easington Risk Assessment

COURT COSTS ETC REPORT 2008