

## **DELEGATED DECISION**

**Covid CMT**

**8 June 2021**



**Recommencing Recovery &  
Enforcement Action – Council Tax &  
Business Rates Arrears**

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**Report of Paul Darby, Corporate Director of Resources (Interim)  
Councillor Richard Bell, Cabinet Portfolio Holder for Finance**

### **Electoral division(s) affected:**

Countywide

### **Purpose of the Report**

- 1 To provide an update on the current position regarding Council tax and Business Rates collection in respect of 2020/21 and 2021/22 financial years.
- 2 To seek permission to recommence all formal recovery action and enforcement actions for Council Tax and Business Rates, which have been suspended since 20 March 2020 following the first COVID-19 lockdown.

### **Executive Summary**

- 3 COVID-19 and the subsequent lock-down has impacted many households and businesses. The impact has been widespread, but we have focussed on protecting residents and businesses which are considered to be financially vulnerable with a reduced propensity to pay.
- 4 In response to the COVID-19 pandemic and anticipated financial impacts, CMT agreed to the suspension of all recovery action on 20 March 2020 only agreeing to reinstate limited formal recovery action in February 2021, allowing the issue of statutory reminders, final and cancellation notices up to recovery stage.

- 5 The Council's decision to suspend all recovery action was made to ensure that support could be provided to ease pressure at a time when households were severely impacted by the restrictions imposed by the pandemic. However, full recovery action and enforcement actions cannot remain suspended indefinitely, suspension of recovery action continues to have a significant and detrimental impact upon in-year collection and cash flows.
- 6 The 2020/21 in-year collection rate for Council Tax was been protected somewhat by the circa £4.2M hardship top-up payments that have been credited to date to the accounts of CTR claimants who had a net liability to pay. Hardship top-up payments will also protect 2021/22 in-year collection and cash flow, £2.1M having been awarded to date. The Council Tax cash shortfall is estimated to have been £22,639,307 in 2020/21.
- 7 Council Tax in-year collection for 2020/21 was 93.72%, 2.65% lower than the previous financial year. Business Rates in-year collection for 2020/21 was 93.48%, 4.48% lower than the previous year, however the final position was impacted by the late submission into the ratings list of the Amazon site from the Valuation Office Agency, which was received and processed on 31/03/2021. This immediately increased the net debit by over £1.1M and although a bill was issued the same day, this allowed no opportunity for collection within the financial year, the detrimental impact in the collection rate equating to 1.37%. Amazon has subsequently paid in full which is reflected in April's collection rates.
- 8 Regionally, those Councils which had reinstated the formal recovery process earlier in the financial year have reported smaller reductions in Council Tax collection.
- 9 At the end of the financial year there were 32,341 Council Tax accounts in arrears in respect of 2020/21 liability. The total value of Council Tax outstanding against these accounts was £18,571,024.
- 10 Of the 32,341 Council tax accounts in arrears, the following is worth noting:
  - The full balance is outstanding on 17,994 of the 32,341 accounts meaning that no payment has been made towards these accounts.
  - Of the 32,341 accounts in arrears, 13,116, 41%, accounts, have been subject to recovery action in previous years. This means that the majority of the accounts in arrears, the remaining 19,225, accounts may have fallen into arrears for the first time, suggesting that the COVID 19 pandemic may have impacted their ability to pay.

- Of the 32,341 accounts in arrears only 7,530 of these accounts have been or are subject to an element of 'means tested benefit' reducing their liability.
  - In total 47,218 statutory notices i.e. reminders in respect of all financial years, were issued between February and March
  - A further 4,780 accounts are now subject to a Special Payment Arrangement (SPAR), where customers have agreed a payment arrangement rather than adopt the standard instalment plan.
- 11 At the end of April 2021 17,466 accounts had fallen into arrears and would ordinarily have been due a statutory reminder. This is 30% higher than normal, on average 13,400 statutory reminders are issued in April.
- 12 Of the 17,466 accounts in arrears it is worth noting:
- 644 of these accounts have been or are subject to an element of 'means tested benefit'.
  - Almost half of the accounts, 8,073, also have or had fallen into arrears in respect of the 2020/21 financial year. This may indicate that those households continue to be adversely affected by the impact of the COVID 19 pandemic.
  - There are 3,820 accounts already subject to a Special Payment Arrangement (SPAR), where customers have agreed a payment arrangement rather than adopt the standard instalment plan.
- 13 This report seeks to restore all formal recovery and enforcement actions in respect of the 2021/22 financial year as well as those for all previous years. It also outlines proposals for the selection of cases to progress to summons which will be limited as a result of court restrictions. The report also outlines progression of Enforcement Agents actions.
- 14 The report also provides an update of the "Breathing Space Scheme" since it was introduced on 4 May 2021.

### **Recommendation(s)**

- 15 It is recommended that:
- (a) The updated position and contents of the report are noted, particularly the continuing plans, actions and mitigations to support financially vulnerable residents and businesses falling into Council Tax or Business Rates arrears;
  - (b) All recovery action for the current 2021/22 financial year and previous years is allowed to progress.

- (c) That summonses are issued for scheduled court dates from 3 August 2021.
- (d) The team continue to take a flexible and supportive approach to all recovery actions, including extending payments into 2022/23 upon request to allow for extra time for 2020/21 and 2021/22 liabilities to be recovered.
- (e) Enforcement Agents are given permission to recommence formal enforcement actions including visits, subject to the appropriate risk assessments and COVID risk assessments.
- (f) Note details of cases subject to the Breathing Space Scheme and that a further report reviewing and updating management team on the impacts of the Scheme on debt recovery will be brought in November 2021.

## Background

- 16 In response to the COVID 19 pandemic and anticipated financial impacts CMT agreed the suspension of all recovery action on 20 March 2020. This included an already planned Magistrates Court Hearing for non-payment of Council Tax and Business Rates, for which summonses had already been issued; these summonses were subsequently withdrawn, and all Enforcement Agent actions paused.
- 17 On 18 June 2020 CMT agreed to the continued suspension of formal recovery actions and the adoption of non-statutory recovery action i.e. to issue 'soft' reminders or nudge letters in July, August and October to those residents and businesses who had not made a payment in the current financial year. CMT also agreed to the commencement of proactive support / recovery telephone calls to those households who had not made contact following receipt of the soft reminder letters, offering help and support to customers with growing debt.
- 18 Inevitably COVID19 and the subsequent postponement and suspension of recovery action had a significant and detrimental impact upon in-year collection and cash flows, however this was protected somewhat by the hardship top-up payments of up to £300 credited to the accounts of working age CTR claimants who had a net liability to pay up to March 2021 and extending the Council Tax Hardship Fund into the current financial year. To date 28,181 top-ups have been awarded amounting to £4.2M in respect of the 2020/21 financial year and 8,912 awards amounting to £2.1M in respect of the 2021/22 financial year.
- 19 On 4 February 2021 CMT agreed to:
  - Commence recovery actions up to summons stage from February 2021 for the 2020/21 financial year and previous years
  - Extend payment arrangements into 2022/23 upon request to allow extra time for the 2020/21 liabilities to be recovered
  - Allow external Enforcement Agents to recommence telephone engagement with residents and businesses but no enforcement actions (visits etc) are undertaken at this stage.

## Current Position

- 20 Whilst COVID19 and the subsequent postponement and suspension of recovery action did have a significant and detrimental impact upon in-year collection and cash flows. The 2020/21 in-year collection rate for Council Tax was been protected somewhat by the circa £4.2M hardship top-up payments that have been credited to date to the accounts of CTR claimants who had a net liability to pay. Hardship top-up payments will also protect 2021/22 in-year collection and cash flow,

£2.1M having been awarded to date. The Council Tax cash shortfall is estimated to have been £22,639,307 in 2020/21.

- 21 The issue of the soft reminders and subsequent pro-active calls had no significant impact on the in-year collection of Council Tax or Business Rates. In-year collection fell month on month until February 2021 when formal recovery action commenced, and statutory reminders were issued.
- 22 Council Tax in-year collection for 2020/21 was 93.72%, 2.65% lower than the previous financial year. Business Rates in-year collection for 2020/21 was 93.48%, 4.48% lower than the previous year, however the final position was impacted by the late submission to the rating list of the Amazon site from the Valuation Office Agency, which was received and processed on 31/03/2021. This immediately increased the net debit by over £1.1M and although a bill was issued the same day, this allowed no opportunity for collection within the financial year, the detrimental impact in the collection rate equating to 1.37%. Amazon has subsequently paid in full which is reflected in April's collection rates.

<b>Council Tax in Year Collection</b>												
	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>
2019/20	10.29%	19.49%	28.51%	37.53%	46.78%	55.96%	65.32%	74.62%	83.71%	92.86%	94.90%	96.37%
2020/21	10.34%	18.98%	27.72%	36.55%	44.79%	53.94%	62.61%	71.66%	80.52%	89.31%	91.41%	93.72%
	<b>0.05%</b>	<b>-0.51%</b>	<b>-0.79%</b>	<b>-0.98%</b>	<b>-1.99%</b>	<b>-2.02%</b>	<b>-2.71%</b>	<b>-2.96%</b>	<b>-3.19%</b>	<b>-3.55%</b>	<b>-3.49%</b>	<b>-2.65%</b>
<b>Business Rates in Year Collection</b>												
	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>
2019/20	17.13%	25.68%	34.36%	42.26%	51.26%	58.73%	67.26%	75.35%	83.27%	91.22%	95.28%	97.91%
2020/21	10.57%	14.76%	33.80%	41.10%	48.80%	56.73%	64.30%	71.46%	79.12%	86.01%	92.47%	93.43%
	<b>-6.56%</b>	<b>-10.92%</b>	<b>-0.56%</b>	<b>-1.16%</b>	<b>-2.46%</b>	<b>-2.00%</b>	<b>-2.96%</b>	<b>-3.89%</b>	<b>-4.15%</b>	<b>-5.21%</b>	<b>-2.81%</b>	<b>-4.48%</b>

- 23 In-year collection for the 2021/22 financial year was 10.10% for Council Tax and 18.36% for Business Rates on 30 April 2021.

	<b>Apr-19</b>	<b>Apr-20</b>	<b>Apr-21</b>
Council Tax	10.29%	10.34%	10.10%
Business Rates	17.13%	10.57%	18.36%

- 24 Regionally all Councils reported a decrease in their in-year Council Tax collection, the average being 1.44% at the end of the financial year. The reduction in the in-year collection rate ranged from 3.06% at worst to 0.20% at best. Those Councils which had reinstated the formal recovery process earlier in the financial year reporting smaller reductions in Council Tax collection, most notably North Tyneside and Northumberland who not only reinstated formal recovery action but also issued summonses.

Council Tax	30.09.2019	30.09.2020	Difference	30.12.2019	30.12.2020	Difference	31.03.2020	31.03.2021	Difference
Newcastle	54.90%	52.61%	-2.29%	81.60%	78.81%	-2.79%	97.02%	95.55%	-1.47%
Gateshead	53.71%			79.58%	77.88%	-1.70%	95.88%	94.12%	-1.76%
Sunderland	52.55%	51.35%	-1.20%	77.83%	76.03%	-1.80%	94.89%	91.83%	-3.06%
South Tyneside	59.91%	57.90%	-2.01%	87.02%	84.50%	-2.52%	95.03%	92.93%	-2.10%
North Tyneside	53.40%	52.59%	-0.81%	79.39%	78.78%	-0.61%	95.00%	94.80%	-0.20%
Northumberland	55.98%	55.25%	-0.73%	83.40%	82.68%	-0.72%	97.64%	97.02%	-0.62%
<b>Durham</b>	<b>55.96%</b>	<b>53.94%</b>	<b>-2.02%</b>	<b>83.71%</b>	<b>80.52%</b>	<b>-3.19%</b>	<b>96.37%</b>	<b>93.72%</b>	<b>-2.65%</b>
Hartlepool	54.00%	51.48%	-2.52%	80.11%	77.43%	-2.68%	95.20%	93.20%	-2.00%
Middlesbrough	53.03%	51.75%	-1.28%	77.93%	77.17%	-0.76%	91.60%	92.04%	0.44%
Stockton	54.52%	52.80%	-1.72%	81.00%	78.79%	-2.21%	95.15%	93.23%	-1.92%
Darlington	53.28%	52.72%	-0.56%	79.22%	78.58%	-0.64%	96.24%	95.75%	-0.49%

- 25 The Business Rates position is less consistent. All Councils reported a reduction in their in-year collection rate at the end of the financial year. The average reduction in in-year collections was 4.01% ranging from 9.12%% at worst and 1.59% at best.

Business Rates	30.09.2019	30.09.2020	Difference	30.12.2019	30.12.2020	Difference	31.03.20	31.03.21	Difference
Newcastle	55.50%	52.32%	-3.18%	81.00%	77.07%	-3.93%	99.06%	94.24%	-4.82%
Gateshead	56.25%			80.61%	72.44%	-8.17%	97.49%	88.37%	-9.12%
Sunderland	58.66%	53.39%	-5.27%	83.57%	79.09%	-4.48%	97.65%	91.92%	-5.73%
South Tyneside	65.11%	65.38%	0.27%	86.44%	87.25%	0.81%	98.81%	96.94%	-1.87%
North Tyneside	57.58%	52.98%	-4.60%	81.73%	78.92%	-2.83%	97.60%	92.00%	-5.60%
Northumberland	57.99%	56.63%	-1.36%	82.22%	78.42%	-3.80%	97.66%	93.17%	-4.49%
<b>Durham</b>	<b>58.73%</b>	<b>56.73%</b>	<b>-2.00%</b>	<b>83.27%</b>	<b>79.12%</b>	<b>-4.15%</b>	<b>97.91%</b>	<b>93.43%</b>	<b>-4.48%</b>
Hartlepool	55.00%	51.87%	-3.13%	81.07%	73.69%	-7.38%	98.60%	96.40%	-2.20%
Middlesbrough	59.37%	67.61%	8.24%	82.91%	80.00%	-2.91%	98.61%	96.72%	-1.89%
Stockton	56.49%	55.23%	-1.26%	82.77%	81.38%	-1.39%	99.48%	97.89%	-1.59%
Darlington	56.77%	58.09%	1.32%	80.78%	83.34%	2.56%	99.39%	97.06%	-2.33%

- 26 Regionally, the majority of councils have reported taking a 'softer' approach to the collection of Business Rates and all have reported a reduction in Business Rates collection. A wider data set has been collated and their approaches are set out in Appendix 2.
- 27 The Council's external Enforcement Agent contractor has indicated that 89 out of 102 of their local authority clients have issued instructions to fully reinstate enforcement action across all debt types including Council Tax and Business Rates. A further 8 clients have issued instructions to reinstate action without visits. Only 5, including Durham, continue to take no action and have maintained this position since March 2020.

## 2020/2021 Accounts

- 28 In total 47,218 statutory notices i.e. reminders in respect of all financial years, were issued between February and March. However, at the end of the financial year there were still 32,341 Council Tax accounts in

arrears in respect of 2020/21 liability. The total value of Council Tax outstanding against these accounts was £18,571,024.

- 29 The full balance is outstanding on 17,994 of the 32,341 accounts meaning that no payment has been made towards these accounts.
- 30 Of the 32,341 accounts in arrears only 7,530 of these accounts have been or are subject to an element of 'means tested benefit'. In terms of these 7,530 accounts, no payment has been made for 3,743 of these; payment has been made against the remaining 3,787 accounts at some time during the year, however accounts have subsequently fallen into arrears. As these accounts have been subject to an element of mean-tested benefit, it is not unreasonable to assume that the liable persons may be potentially financially vulnerable.
- 31 Of the 32,341 accounts in arrears, 13,116, 41%, accounts, have been subject to recovery action in previous years. This means that the majority of the accounts in arrears, the remaining 19,225, accounts may have fallen into arrears for the first time, suggesting that the COVID 19 pandemic may have impacted their ability to pay.
- 32 Bands A to C account for 93.72% of accounts in arrears, which is representative of the tax base. However, a number of accounts owe in excess of £1,500, £2,000 and £3,000 which may suggest that these are accounts subject to a premium charge e.g. long term empty premium, own more than one property or may have moved from a property in a high band at some point during the year.
- 33 The spread of accounts in arrears in terms of banding is shown in the following table:

Band	Band Charge	Volume	%	A/Cs owing less than £1,500	A/Cs owing over £1,500	A/Cs owing over £2,000	A/Cs owing over £3,000
A	£1,316.56	24,818	76.82%	24190	371	151	106
B	£1,535.99	3,507	10.85%	3212	271	10	14
C	£1,755.41	1,954	6.05%	1745	196	9	4
D	£1,974.84	1,193	3.69%	993	110	86	4
E	£2,413.69	519	1.61%	415	45	56	3
F	£2,852.55	207	0.64%	156	12	30	9
G	£3,291.40	87	0.27%	63	7	11	6
H	£3,949.68	23	0.07%	9	4	4	6
Total		32,308	100.00%	30783	1016	357	152

*Note: Number of properties not Council Tax accounts*

- 34 It is very difficult to assess whether accounts have fallen into arrears as a direct result of genuine financial hardship as a result of the COVID 19 pandemic e.g. as a result of a reduction in household income or because no formal recovery action has taken place. Anecdotally the Collections practitioners regularly report that some customers do not make payment or seek support until formal recovery action is undertaken and even then, this is often not until the point where a summons has been issued or liability order obtained.
- 35 Not surprisingly the number of customers choosing extending Council Tax payments over 11 or 12 months, rather than 10 months, increased substantially with 41,618 households choosing extended payments, compared to 33,276 in the previous financial year, an increase of 25%
- 36 In addition to those accounts in arrears a further 4,780 accounts are now subject to a Special Payment Arrangement (SPAR), where customers have agreed a payment arrangement rather than adopt the standard instalment plan. Of the 4,780 SPARs, all with the exception of 23 accounts will clear before the end of the current financial year, the remaining 23 accounts have had payments extended into the 2022/23 financial year.

## **2021/2022 Accounts**

- 37 CMT agreed to delay recovery action in respect of 2021/22 accounts until June 2021. At the end of April 2021 17,466 accounts had fallen into arrears and would ordinarily have been due a statutory reminder. This is 30% higher than normal, on average 13,400 statutory reminders are issued in April.
- 38 Of the 17,466 accounts in arrears only 644 of these accounts have been or are subject to an element of 'means tested benefit' As these accounts have been subject to an element of mean-tested benefit, it is not unreasonable to assume that the liable persons may be potentially financially vulnerable and should be proactively engaged to offer the appropriate support.
- 39 Almost half of the accounts, 8,073, also have or had fallen into arrears in respect of the 2020/21 financial year. This may indicate that those households continue to be adversely affected by the impact of the COVID 19 pandemic.
- 40 In addition to those accounts in arrears a further 3,820 accounts are now subject to a Special Payment Arrangement (SPAR), where customers have agreed a payment arrangement rather than adopt the standard instalment plan. Of the 3,820 SPARs, all will clear before the end of the current financial year, with the exception of 68 accounts which have extended payments into the 2022/23 financial year.

## Business Rates

- 41 Undoubtedly, the COVID 19 pandemic and subsequent lockdowns have had a significant impact on businesses despite the range of supportive measures introduced. The Business Rates collectible net debit reduced by 37.34% in 2020/21, compared to the 2019/20 financial year, as a result of the increased reliefs/discretionary reliefs, meaning that some ratepayers will have nothing or a significantly reduced bill to pay.
- 42 The 2021/22 year will be further complicated following the Government's instruction to undertake a second billing exercise in July 2021.
- 43 At the end of March 2021, 328 accounts were in arrears of 60%, 197 accounts, have made no payment in the current financial year. The total value of Business Rates outstanding against the 328 accounts was £1,720,222.
- 44 Of those accounts in arrears 145 accounts have been subject to recovery action in previous years. The remaining 183 accounts have fallen into arrears for the first time, highlighting the devastating impact the COVID-19 pandemic has had and continues to have on local businesses.

<b>Business Rates Accounts in Arrears</b>	<b>Volume</b>	<b>Value</b>
BR – all a/cs	328	£1,720,222
No payment received	197	£873,612
BR a/cs – subject to recovery action in previous years (with & without current balance)	145	£1,051,808

- 45 Further analysis of those accounts in arrears indicates that 40 businesses owe in excess of £10,000 and 80 businesses have multiple accounts in arrears.

## Recovery and Enforcement Action

- 46 Recovery action for non-payment of Council Tax and Business Rates follows a statutory process, generally broken down between pre and post court or 'Enforcement' action stages, the table below provides further detail of the current process:

<b>Council Tax</b>	<b>Business Rates</b>
<b>Recovery Action</b>	<b>Recovery Action</b>
Reminder or / and Final Notice Issued	Reminder or / and Final Notice
Summons Issued	Summons
<b>Recovery Court Action</b>	<b>Recovery Court Action</b>
Liability Order in the Magistrates Court	Liability Order in the Magistrates Court

<b>Council Tax</b>	<b>Business Rates</b>
Payment Arrangement	Payment Arrangement
Attachment of Benefits	
Attachment of Earnings	
Attachment of Allowances (Members)	
<b>Enforcement Action</b>	<b>Enforcement Action</b>
Referral to Enforcement Agent (Bailiff) – debt must be £75 or more	Referral to Enforcement Agent (Bailiff) – debt must be £75 or more
Insolvency (bankruptcy/winding up) - debt must be £750 or more for Winding Up proceedings and £5,000 or more for bankruptcy	Insolvency (bankruptcy/winding up) - debt must be £750 or more for Winding Up proceedings and £5,000 or more for bankruptcy
<b>Enforcement</b>	<b>Enforcement</b>
Charging Order - debt must be £1,000 or more	Committal to Prison (individual only)
Committal to Prison	

- 47 Formal recovery action commenced in February 2021, 47,218 statutory reminders were issued in respect of the 2020/21 and previous years.
- 48 Reminders encourage residents and businesses to contact the Council to discuss special payment arrangements (SPARs) for those unable to bring accounts up to date. Residents are also able to self-serve via OpenPortal, the Council's digital engagement platform to set-up SPARs at any stage in the recovery process. Since a soft launch of the form in November 2020, 989 SPAR forms have been submitted. The ability to self-serve continues to be promoted via the Council's social media platforms.
- 49 As well as enhancing the digital offer to residents and businesses and reducing contacts through other channels, it reduces the time and risk of error when setting-up special arrangements in the back office, releasing resource and building capacity to proactively engage and support those in need and who may be potentially financially vulnerable.
- 50 Under normal circumstances, residents and businesses are encouraged to complete payment arrangements within the current financial year and arrangements spanning financial years are discouraged. However, the form offers the flexibility to replicate current more flexible arrangements available to residents and businesses i.e. extend payment arrangements into 2022/23.
- 51 As well as statutory reminders, 28,987 final notices have been issued to date, in respect the 2020/21 and prior years.

- 52 For the first time, all final notices have been accompanied by an AutoSpar letter. AutoSpars afford residents and businesses an additional opportunity to make payment by instalments. Details of the arrangement are sent with the formal recovery documentation. If the resident or business enters into a payment arrangement, the recovery process is immediately stopped in respect of the cancellation of instalments notice / final demand.
- 53 Not only do AutoSpars offer residents and businesses the additional opportunity to enter into a payment arrangement without the need to contact the Council, it also enables the Council to proactively engage and support those in need and who may be potentially financially vulnerable.

### **Next Steps**

- 54 When the initial decision to suspend recovery action was agreed in March 2020 no one foresaw that the COVID 19 pandemic would still be impacting the country to the degree that it is, that the country would be subjected to three national lockdowns and that financial support schemes including the Furlough Scheme and Business Support Grants would be extended into the 2021/22 financial year.
- 55 The Council has had to and must continue to strike a fine balance between helping those residents and businesses who can't pay and not allowing residents and businesses to build debts to unmanageable levels through a lack of engagement with the Council. There is also the issue of the Council being seen to manage its debt effectively.
- 56 The recovery process is a complex process that ordinarily requires careful planning and preparation, that is now further complicated after such a lengthy disruption to recovery action. As well as considering the 2020/21 financial year and previous years the current 2021/22 financial year, where recovery action is yet to start, must be considered as part of the planning process. Substantial volumes of recovery documentation have been and will continue to be generated across all years and all recovery stages, meaning the issue of documentation will need to be staggered to ensure that sufficient capacity across Customer Services and the Collections Team is available to manage the inevitable influx of contact and to support residents and businesses. From an administrative perspective it likely to take the full 2021/22 financial year to catch-up / recover from what has been a full year without recovery action.
- 57 As the financial impact of the COVID 19 pandemic is likely to impact families and businesses throughout 2021/22 and beyond, continued flexibility to support residents and businesses is critical to all recovery plans. The Council has taken a flexible approach to payments and

SPARs throughout the COVID 19 pandemic, enabling residents and businesses to extend payment arrangements into 2021/22 and 2022/23 for the current financial year, effectively giving residents and businesses flexibility as possible to repay outstanding to help minimise any immediate financial difficulties.

### *Courts*

- 58 Moving forward the final stage of the recovery action still to be restarted is that of issuing summonses. The availability for court time and capacity will delay further recovery and enforcement actions and therefore has the potential to further impact Council Tax and Business Rates collection.
- 59 Before summonses can be issued, cases must be approved by and listed with the courts. Even though courts have been operating for some months and continues throughout the last lockdown, there are substantial backlogs and civil debt hearings such as seeking Liability Orders in respect of Council Tax and Business Rates are not being prioritised. The HM Courts and Tribunal Service has recently published details prescribing how court listings and hearings will be managed and prescribing documentation that must accompany summonses.
- 60 Ordinarily two courts Peterlee and Newton Aycliffe, hear Council Tax and Business Rates cases, in respect of the Durham area however, court officials confirmed that hearings will be restricted to Peterlee and will also be restrict to an 'am' or 'pm session but not both. Additionally, all hearings:
- will be conducted virtually, there will be no physical hearings
  - will be restricted to a maximum of 60 minutes
  - the maximum number of cases heard at each sitting will be limited to 1,000 cases
  - the number of attendees i.e. debtors requesting to attend court to defend the liability order, will be limited to a maximum of 12 attendees at each session
  - a prescribed flyer must be issued with all summonses defining how defences may be made and how to address the Court
- 61 Court sitting patterns are ordinarily published for a full year however have only been published until October 2021 and demand is high. Hearing dates have been secured, subject to approval to progress recovery action, dates confirmed are:
- 3 August 2021

- 5 August 2021
- 9 September 2021
- 21 September 2021
- 19 October 2021
- 21 October 2021

- 62 There are currently 15,090 Council Tax accounts and 532 Business Rates accounts for the 2020/21 year and previous years, owing a minimum amount of £50 ready to progress to summons. These will increase as recovery action progresses through the year.
- 63 Prior to the issue of summonses, AutoSpars will be offered for the first time. This will give residents and businesses another opportunity to enter a payment arrangement before a Liability Order is sought and court costs applied to the account. Additionally, if residents or businesses take-up the payment arrangement at the summons stage it will result in fewer people attending the magistrates court as well as resulting in fewer manual special arrangements requests after court action.
- 64 Ordinarily we issue circa 26,500 Council Tax summons and circa 1,000 Business Rates summons per year. The largest single volumes are issued end of May / beginning of June to include the new financial year. At which point, two court hearings are booked for the end of June to accommodate approximately 6,000 cases. With court hearing limitations, based on two per month from August to March, including December and assuming that court time will be available, and 1,000 cases per hearing, it is estimated that will only allow for a maximum 18,000 summonses.
- 65 Consequently, that would mean some summonses would not be issued within this financial year, estimated to be between 8,000 and 10,000 cases, and would further impact collection and recovery for 2022/23.
- 66 Proposals for initial selection of cases to summons:
- Multi years (those owing more than one financial year)
  - Multi years plus highest balances (to provide greatest financial return)
  - Proactively contact/engage those with LCTR
  - Proactively contact those to be summonsed for first time

- 67 Those procedures outlined above would apply until there are only single years owing, lower balances, etc. but the same interventions would be undertaken.
- 68 There will be a significant impact resulting from the issue of no, or fewer summonses. Costs of up to £90 per Liability Order (£50 – summons, £40 – Liability Order) are applied to the customer” account and proactively collected. Ordinarily this translates to an income of circa £1.7M annually.
- 69 It should be noted that not all summonsed accounts progress to a Liability Order, approximately 20% are withdrawn e.g. someone may have moved house, and not received the summons, payment may have been received or a claim for LCTR may have been submitted. Taking that into account, the issue of circa 18,000 summonses will result in less costs being applied and collected. It is estimated that income from costs may only amount to circa £1M.

### *Recovery Matrix*

- 70 Whilst the Open Revenues system holds vast amounts of data, debt analysis is challenging, requiring multiple reports and manipulation of the data. This lack of clearly accessible information and data makes very difficult to pro-actively intervene in the standard recovery process to target intervention and support.
- 71 In response to demand for accessible information and data, our system provider, Civica, has developed the Recovery Matrix. It will assist with analysis of debt in more detail to support and enable more effective and targeted recovery. This real-time tool will enable the quick and easy interrogation of data in a variety of ways with easily interpretable results. The benefits that the matrix brings include functionality to:
- quickly create data extracts at any time and in real-time
  - analyse and segment data to help maximise recovery and make it more effective, before running bulk recovery extracts
  - reduce time spent running regular reports by utilising a wide variety of saved filters and searches. Filters include:
    - ✓ recovery years
    - ✓ recovery stages
    - ✓ volume/value of accounts
    - ✓ live LCTR claims (and separately, UC)

- ✓ inhibited accounts
- ✓ accounts subject to arrangements / SPAR
- ✓ last and recent paid amounts
- ✓ accounts paid by direct debit

- offers the opportunity to increase accuracy and fairness of recovery as all data is live
- offers the potential to use ‘vulnerable’ flags to omit those accounts from recovery progression
- will provide improved quality data for more meaningful statistics

72 In addition, accounts are displayed by way of a ‘traffic light’ system, highlighting accounts that are ‘falling into arrears’ as opposed to those already 30 days in arrears, and those with no arrears, at specific stages. This offers the opportunity to pro-actively engage customers and provide support before they fall into arrears.

73 The Recovery matrix has been deployed to a test environment and the Council’s data loaded. Users are currently exploring and testing the application and it is anticipated that it will be ‘live’ early in June to enable and enhance the selection of account to progress to summons stage and inform pro-active engagement to offer support to customers.

### *Breathing Space*

74 The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020 came into force on 4 May 2021. This will impact recovery processes and may impact Council Tax collection in the short term.

75 The regulations establish the first part of a debt respite scheme for individuals in problem debt. They give eligible people in problem debt, who receive professional debt advice, access to a sixty-day period in which interest, fees and charges are frozen and enforcement action is paused – referred to as “breathing space”. For individuals receiving mental health crisis treatment, the regulations establish an alternate route to access the protections of a moratorium and ensure that the protections are in place for the duration of the customer’s crisis treatment.

76 The legislation requires debt advisers to assess eligibility to breathing space and establish if it is the most appropriate debt solution. The team is working closely with the advice sector and the three local

debt advisers, Citizens Advice County Durham, East Durham Trust and Durham Christian Partnership.

- 77 Breathing space applies to a wide range of debts including, Council Tax, Business Rates, sundry debt and Parking Fines. Since the launch of the scheme on 4 May, 15 notifications have been received. All have Council Tax arrears in respect of previous years and one also has an outstanding parking penalty charge. The total value of debt subject to Breathing Space is £17,295.
- 78 Of the 15 Council Tax accounts subject to breathing space, 5 have yet to make payment in respect of the current 2021/22 financial year, in these cases the full years Council Tax liability will be added to debts subject to the breathing space.
- 79 Now that these accounts are subject to breathing space the Council is unable to engage with the account holders but will work with the debt providers to support debtors in all cases and will consider all supportive options including write-off where appropriate.
- 80 None of the breathing space notifications have come from the local debt advisers. Thirteen of the fifteen referrals have come from Step Change who are entering all debtors into a breathing space without considering eligibility.
- 81 The team are closely monitoring breathing space notifications, the impacts upon customers and debtors as well as the impact on collection and cash flow. A report updating CMT on the impact of Breathing Space is scheduled for November 2021.

### *Enforcement Agents*

- 82 The Council instructed its Enforcement Agents to cease all action on 20 March 2020. This was followed by Government guidance to suspend Enforcement Agent action. Whilst Enforcement Agents have been able to operate and visit since 23 August 2020, all actions in respect of the Council's accounts remain suspended.
- 83 The *Taking Control of Goods Regulations 2013* prescribe that Enforcement Agents have 12 months from the issue of a Notice of Enforcement in which to take control of goods i.e. seek payment. Therefore, if payment is not secured within 12 months agents are unable to enforce the debt and cases are returned to the creditor. When a debtor enters into an arrangement, the expiry date is extended to one year after any payment default.
- 84 The Ministry of Justice made an amendment to the Regulations to address the original lockdown in 2020. The amendment states that if a case expired between the 26 February 2020 and 23 September 2020 it

was automatically extended by a further year, allowing enforcement visits from 24 August 2020.

- 85 Enforcement Agents have been returning expired cases since September 2020. As enforcement power for Council Tax and Business Rates is given by the Liability Order, which does not expire, cases may be reissued to Enforcement Agents to start the process again with a new Notice of Enforcement known as a pre-bailiff letter.
- 86 There are currently 6,600 pre COVID-19 cases at a pre-Enforcement Agent stage, of which approximately 2,000 cases are 'expired' cases.

### *Jacobs*

- 87 A single external Enforcement Agent appointed to manage 'out of area' referrals and to provide some resilience / business continuity to the new in-house service was also engaged under the previous contract, therefore there are no plans to recall cases from this Enforcement Agent. However, existing instructions to suspend all recovery action has been confirmed by the Agent and no action will be taken until instructions are received from the Council.
- 88 This agent currently has 2,107 cases with a total value of £1.1M, 2,086 Council Tax cases and 21 Business Rates cases. This agent also has 1,098 cases with a current payment arrangement, 1,088 Council Tax cases and 10 Business Rates cases.

	<b>Council Tax</b>	<b>Value</b>	<b>Business Rates</b>	<b>Value</b>
Compliance Stage - £75 fee	698	£309,945	6	£39,409
Enforcement Stage - £215 fee	1,388	£718,290	15	£59,910
<b>Total</b>	<b>2,086</b>	<b>£1,028,235</b>	<b>21</b>	<b>£99,319</b>
Payment Arrangement	1,088	£504,821	10	£48,710
Cases 'in trace'	69	£0,021	1	£4,482

- 89 As approved by CMT on 4 February 2021, Enforcement Agents have been undertaking telephone engagement with residents and businesses since February, however no formal enforcement actions have been undertaken. It is therefore now proposed that all formal enforcement actions are restarted.

### *County Durham Outreach and Support*

- 90 On 4 September 2019 CMT approved the creation of an Internal Enforcement Agents Service, County Durham Outreach and Support (CDOS); this team became effective from 1 July 2020. The COVID 19

pandemic and resulting suspension of all enforcement actions has delayed the launch of the service by a full year.

- 91 The establishment of the new service has been overseen by a separate Internal Enforcement Agent Service Project with governance provided by a project board. Inevitably, COVID 19 has significantly impacted the project, delaying systems development but most significantly training and certification of enforcement agents. The team however have supported other aspects of the business, processing business grants and undertaking proactive support / recovery telephone calls. The team have also been studying towards Enforcement Agent certification.
- 92 CDOS have recruited two certificated agents and two new enforcement agents. Enforcement Agents must be certificated by the County Court before they are able to undertake enforcement activities. Before the courts will consider certification, all Enforcement Agents must hold the Taking Control of Goods level 2 qualification. The qualification requires a minimum of 40 hours of guided learning of which and at least 24 hours pre reading, revision and practical experience with a certificated agent ahead of an examination.
- 93 Exam sites have only very recently re-opened and the 2 agents requiring qualification have been enrolled with a learning centre and expect to have undertaken the required examinations within the next 6 - 8 weeks, ready to apply to the Court for certification. It is anticipated that those agents will be fully qualified towards the end of the summer to enable the team to work to full capacity
- 94 The CDOS team have supported the review of cases returned from the previous Enforcement Agent contractor i.e. Equita. Adopting a similar approach to that taken by Jacobs, proactively engaging with residents and businesses by telephone outside of the standard enforcement process. This approach has offered residents and businesses the opportunity to discuss their current circumstances and, enable agents to make use of the Standard Financial Statement (SFS) to offer the opportunity of undertaking an income and expenditure review to ensure affordability and sustainability of any payment arrangement without incurring additional costs.
- 95 In addition to offering support, this approach has given CDOS the opportunity to test systems and processes and at the same time offer the team the opportunity to gain some practical experience.
- 96 There are approximately 6,600 cases where a Liability Order has been granted and a pre-bailiff letter issued. Before any these cases are referred to CDOS for enforcement action a new pre-bailiff letter will be issued in all cases. The recovery matrix will identify any cases where payment arrangements have been maintained since their return from

Equita, these cases will continue to be administered by the Collections Team. All cases will also be reviewed to check for attachment of earning, these cases will also be maintained by the team. It is estimated that approximately that approximately 4,000 of the 6,600 cases will actually be referred to CDOS for enforcement.

- 97 Given the unique circumstances it is recommended that CDOS make initial contact with debtors outside of the formal enforcement process i.e. in addition to the pre-bailiff letter issue urging debtor to make contact with the team, offering them an additional opportunity to seek support before incurring any additional fees.
- 98 Only those cases that fail to make contact will progress the enforcement process and incur costs, £75.00 at the point the team issue an enforcement letter.
- 99 Capacity within the team will be limited until all four agents are certificated and therefore the team will be unable to manage new cases i.e. those awarded liability orders from court hearing from August. Inevitably these cases will have to be referred to Jacobs, at least in the short to medium term.

## **Finance Implications**

- 100 Whilst in-year collection and cashflow was protected somewhat by hardship top-up payments, there was a significant cash shortfall and addition losses were incurred in respect of income from fees and charges.
- 101 The 2020/21 in-year collection rate for Council Tax was been protected by the circa £4.2M hardship top-up payments that have been credited to date to the accounts of CTR claimants who had a net liability to pay. Hardship top-up payments will also protect 2021/22 in-year collection and cash flow, £2.1M having been awarded to date.
- 102 The Council Tax cash shortfall is estimated to have been £22,639,307 in 2020/21.
- 103 There will be a significant impact resulting from the issue of no, or fewer summonses. Costs of up to £90 per Liability Order (£50 – summons, £40 – Liability Order) are applied to the customer” account and proactively collected. Ordinarily this translates to an income of circa £1.7M annually.
- 104 It should be noted that not all summonsed accounts progress to a Liability Order, approximately 20% are withdrawn e.g. someone may have moved house, and not received the summons, payment may have been received or a claim for LCTR may have been submitted. Taking that into account, the issue of circa 18,000 summonses will result in less

costs being applied and collected. It is estimated that income from costs may only amount to circa £1M.

- 105 The suspension of enforcement actions has significantly impacted CDOS. The team was established on a self-funding basis with all costs, including staffing costs, budgeted against income generated from statutory charges with any surplus income providing the opportunity for MTFP savings in 2020/21 and 2021/22. Therefore, as nil charges were generated in 2020/21 the anticipated income of £706,664 was not achieved. The budgeted income for 2021/22 is £852,264. Income will be impacted by the further delay to the resumption of enforcement actions and limited capacity within the team in the short to medium term. The actual impact will be closely monitored throughout the year.

## **Conclusion**

- 106 COVID 19 and the subsequent lock-down has impacted many households and businesses. These negative impacts may have had a greater adverse effect on those considered to be vulnerable or shielded, as well as those residents and businesses considered to be financially vulnerable with a reduced propensity to pay.
- 107 The Council's decision to suspend all recovery action was aimed at supporting households and businesses during an extremely challenging time; however, consideration needs to be made of the Council's position in relation to its recovery processes, in order to continue to support and assist those residents and businesses who can't pay and also to prevent debts from building to unsustainable levels.
- 108 The proposals outlined in this report ensure that the Council's statutory requirements to bill and collect Council Tax and Business Rates are fulfilled whilst offering support to residents and businesses with robust plans in place to ensure that a supportive approach continues which will safeguard those who are financially vulnerable.

## **Background papers**

- List any papers required by law / None

## **Other useful documents**

- Restoration Group Briefing Note 18 June 2020 - Proposals for Recommencing Debt Recovery Action for Council Tax and Business Rates
- CMT Report 28 September 2020 – Recommencing Recovery Action for Council Tax and Business Rates

- CMT Report 4 February 2021 – Recommencing Recovery Action for Council Tax & Business Rates Arrears

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## **Appendix 1: Implications**

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### **Legal Implications**

The Council has a duty to ensure that all collection processes comply with the relevant legislation, which includes:

Council Tax (Administration and Enforcement) Regulations 1992

Non-Domestic Rating (Collection and Enforcement)(Local Lists) 1989

County Courts Act 1984, Practice Directions and Civil Procedure Rules 1998

Charging Orders Act 1979

Social Security Administration Act 1992

Civil Enforcement of Parking Contraventions (England) General Regulations 2007

Insolvency Act 1986

Tribunal Courts and Enforcement Act 2007

Taking Control of Goods Regulations 2014

Taking Control of Goods (National Standards) 2014

### **Finance**

Billing and collection of the amounts owed to the Council contributes to the budgets used to fund local and essential services. Effective collection and recovery are essential and will directly impact the funding and delivery of local services.

Whilst in-year collection and cashflow was protected somewhat by hardship top-up payments, there was a significant cash shortfall and addition losses were incurred in respect of income from fees and charges.

The 2020/21 in-year collection rate for Council Tax was been protected by the circa £4.2M hardship top-up payments that have been credited to date to the accounts of CTR claimants who had a net liability to pay. Hardship top-up payments will also protect 2021/22 in-year collection and cash flow, £2.1M having been awarded to date.

The Council Tax cash shortfall is estimated to have been £22,639,307 in 2020/21.

There will be a significant impact resulting from the issue no, or fewer summonses. Costs of up to £90 per Liability Order (£50 – summons, £40 – Liability Order) are applied to the customer” account and proactively collected. Ordinarily this translates to an income of circa £1.7M annually.

It should be noted that not all summonsed accounts progress to a Liability Order, approximately 20% are withdrawn e.g. someone may have moved house, and not received the summons, payment may have been received or a claim for LCTR may have been submitted. Taking that into account, the issue

of circa 18,000 summonses will result in less costs being applied and collected. It is estimated that income from costs may only amount to circa £1M.

The suspension of enforcement actions has significantly impacted CDOS. The team was established on a self-funding basis with all costs, including staffing costs, budgeted against income generated from statutory charges with any surplus income providing the opportunity for MTFP savings in 2020/21 and 2021/22. Therefore, as nil charges were generated in 2020/21 the anticipated income of £706,664 was not achieved. The budgeted income for 2021/22 is £852,264. Income will be impacted by the further delay to the resumption of enforcement actions and limited capacity within the team in the short to medium term. The actual impact will be closely monitored throughout the year.

### **Consultation**

Consultation has been undertaken with the wider financial service, strategic management and operational debt collection management, as well as internal and external partners and stakeholders, including Citizens Advice County Durham, and Internal Audit.

### **Equality and Diversity / Public Sector Equality Duty**

The Council's Hardship policy sets out the support given to address vulnerability and hardship.

### **Climate Change**

None

### **Human Rights**

None

### **Crime and Disorder**

None

### **Staffing**

None

### **Accommodation**

None

### **Risk**

There is always a risk of legal challenge when pursuing debt. However, all actions taken comply with legislative requirements, government guidelines and best practice.

There are robust processes and procedures to ensure that cases subject to more serious recovery actions are fully vetted and meet a defined selection of criteria to minimise the risk of negative publicity for the Council.

Performance management and quality assurance measures are in place to ensure compliance.

## **Procurement**

None that are specific to this report.

## Appendix 2:

NE Authority	Current Position – Council Tax & Business Rates (NDR)
<b>Darlington</b>	<p><b><u>2020/21 Council Tax</u></b></p> <ul style="list-style-type: none"> <li>• Suspended all action from March 2020</li> <li>• Covid-19 Reach out letter to all those in arrears</li> <li>• Reminders issued June/July (excluding LCTRS cases)</li> <li>• Final demands issued in August</li> <li>• Summonses issued September &amp; Liability Orders obtained</li> <li>• Proactively contacted cases at Liability Order stage</li> <li>• Reminders issued September, October, November &amp; January – not followed up</li> <li>• Attachment of Earnings/Benefits Orders for pre Covid-19 debt recommenced in August 2020</li> <li>• Enforcement Agents for pre Covid-19 debt recommenced August 2020 – no visits until April 2021</li> </ul> <p><b>NDR</b></p> <ul style="list-style-type: none"> <li>• Reminders issued September &amp; January – not followed up</li> <li>• Enforcement Agent action recommenced April 2021</li> </ul> <p><b><u>2021/22 Council Tax</u></b></p> <ul style="list-style-type: none"> <li>• Reminders issued to selected accounts – history of arrears, and owing over £1K, and accounts on Empty Property Premiums</li> <li>• Final Notices issued early May – no date scheduled for summons/court</li> <li>• All other accounts – Covid-19 reach out letter sent April</li> <li>• Reminders potentially to be issued late May</li> </ul> <p><b>NDR</b></p> <ul style="list-style-type: none"> <li>• Proactively contacting individuals with arrears</li> <li>• Reminders to be issued from June</li> </ul>
<b>Gateshead</b>	<p><b><u>2020/21 Council Tax</u></b></p> <ul style="list-style-type: none"> <li>• Soft reminders in July, August and October 2020</li> <li>• Continued to implement Attachments of Earnings/Benefits Orders for pre-Covid-19 debt</li> <li>• Enforcement Agent action held</li> </ul> <p><b>NDR</b></p> <ul style="list-style-type: none"> <li>• Small batch of reminders issued Sept 2020 on selected accounts only</li> <li>• Enforcement Agent action held</li> </ul> <p><b><u>2021/22 Council Tax &amp; NDR</u></b></p> <ul style="list-style-type: none"> <li>• Recovery approach for 2021/22 not yet decided but likely to commence end of May or early June subject to senior management and member approval</li> </ul>
<b>Hartlepool</b>	<p><b><u>2020/21 Council Tax</u></b></p> <ul style="list-style-type: none"> <li>• Statutory action recommenced January 2021</li> <li>• Accounts summonsed and two Liability Courts held, third Court early June (Court backlog)</li> <li>• Enforcement Agent recommenced</li> </ul> <p><b>NDR</b></p>

	<ul style="list-style-type: none"> <li>• Soft reminders only - issued March 2021</li> </ul> <p><b><u>2021/22</u></b> <b>Council Tax</b></p> <ul style="list-style-type: none"> <li>• Soft reminders only issued (partly due to Court backlog)</li> </ul> <p><b>NDR</b></p> <ul style="list-style-type: none"> <li>• No plans yet to restart action</li> </ul>
<b>Middlesbrough</b>	<p><b><u>2020/21</u></b> <b>Council Tax</b></p> <ul style="list-style-type: none"> <li>• Reminders issued June 2020 to March 2021</li> <li>• Summonses issued November 2020 to February 2021 and Liability Orders obtained</li> <li>• No accounts progressed to Enforcement</li> </ul> <p><b>NNDR</b></p> <ul style="list-style-type: none"> <li>• Reminders issued July, September &amp; March 2021</li> <li>• Summonses issued November and Liability Orders obtained in December</li> <li>• Addressing high balance accounts first</li> </ul> <p><b><u>2021/22</u></b> <b>Council Tax &amp; NDR</b></p> <ul style="list-style-type: none"> <li>• Reminders issued from April for almost all accounts</li> <li>• Limited number of summonses being issued for court date in June (Court limited to 2,000 cases – all NDR &amp; Council Tax cases with highest balances)</li> <li>• No further reminders to be issued until further court dates agreed. Texts in the interim to all other accounts at pre-reminder and reminder stage</li> <li>• Plan to extend texting going forward and monitor outcomes</li> </ul>
<b>Newcastle</b>	<p><b><u>2020/21</u></b> <b>Council Tax</b></p> <ul style="list-style-type: none"> <li>• Reminders issued September followed by summonses</li> <li>• Liability Orders obtained in November</li> </ul> <p><b>NDR</b></p> <ul style="list-style-type: none"> <li>• No recovery or enforcement</li> </ul> <p><b><u>2021/22</u></b> <b>Council Tax</b></p> <ul style="list-style-type: none"> <li>• Business as usual from April, full recovery cycle – all years</li> <li>• Enforcement Agent work will recommence in August</li> </ul> <p><b>NDR</b></p> <ul style="list-style-type: none"> <li>• No recovery action, to be reviewed July 2021</li> </ul>
<b>North Tyneside</b>	<p><b><u>2020/21</u></b> <b>Council Tax</b></p> <ul style="list-style-type: none"> <li>• Reminders recommenced July 2020 (with support leaflet)</li> <li>• Liability Orders obtained December, February and April</li> <li>• Enforcement Agents recommenced August 2020.</li> </ul> <p><b>NDR</b></p> <ul style="list-style-type: none"> <li>• Recovery action on hold.</li> </ul> <p><b><u>2021/22</u></b> <b>Council Tax</b></p> <ul style="list-style-type: none"> <li>• Business as usual from April, full recovery cycle – all years</li> </ul> <p><b>NDR</b></p> <ul style="list-style-type: none"> <li>• Recovery action still currently on hold</li> </ul>
<b>Northumberland</b>	<p><b><u>2020-21</u></b> <b>Council Tax</b></p> <ul style="list-style-type: none"> <li>• Reminders issued September 2020</li> <li>• Summonses issued October and Liability Orders obtained November</li> <li>• Soft reminders in all other months</li> </ul>

	<ul style="list-style-type: none"> <li>• No further Courts</li> <li>• Enforcement action for pre Covid-19 debts from August 2020</li> </ul> <p><b>NDR</b></p> <ul style="list-style-type: none"> <li>• <b>Soft reminders only</b></li> <li>• Limited enforcement action for pre Covid-19 debts</li> </ul> <p><b><u>2021-22</u></b></p> <p><b>Council Tax</b></p> <ul style="list-style-type: none"> <li>• Business as usual from April, full recovery cycle – all years</li> </ul> <p><b>NDR</b></p> <ul style="list-style-type: none"> <li>• Recovery action held due to expanded retail discount scheme</li> </ul>
<p><b>Redcar &amp; Cleveland</b></p>	<p><b><u>All Years</u></b></p> <p><b>Council Tax &amp; NDR</b></p> <ul style="list-style-type: none"> <li>• Reminders ongoing – issued weekly</li> <li>• Final demands ongoing – issued monthly</li> <li>• Summonses issued when Court dates are available (2,000 cases per hearing)</li> <li>• Awaiting first main court date for 2021 recovery</li> <li>• Attachment to Earnings/Benefits Orders – ongoing</li> <li>• In house Enforcement Agent team taking action, visits were scaled back until 17 May</li> </ul>