



Executive Committee

No Direct Ward Relevance

9th December 2009

COUNCIL TAX AND NON-DOMESTIC RECOVERY POLICY AND PROCEDURES

(Report of the Head of Financial, Revenue and Benefits Services)

1. Summary of Proposals

The report outlines the requirement for an approved policy and procedures for the recovery of Council Tax and Non-Domestic Rates.

The Executive is asked to approve a policy and procedures and to approve the use of "second referral" bailiffs in appropriate cases.

2. Recommendations

The Committee is asked to RECOMMEND that

- 1) **the Council Tax and Non-Domestic Rates Recovery policy attached to this report at appendix 1 be approved; and**

RESOLVE that

- 2) **Members approve the use of a second referral bailiff company to take action in the cases determined in accordance with the Council Tax and Non-Domestic Rates Recovery Policy**

3. Financial, Legal, Policy, Risk and Sustainability Implications

Financial

- 3.1 The Council has determined a bad debt provision and it is not anticipated that the adoption of the Recovery Policy will have any financial implications.

Legal

- 3.2 The adoption of the Council Tax and Non-Domestic Rates Recovery Policy will provide them framework within which the Council carries out its duty, under the Local Government Finance Acts 1988 and 1992, to collect Non-Domestic Rates and Council Tax.

Policy

- 3.3 The determination of the appropriate recovery actions for Council Tax and Non-Domestic Rates are controlled by existing debt management and write off policies.
- 3.4 Approval of the Council Tax and Non-Domestic Rates Revenue Services Recovery policy will supersede these earlier policies in regards to action for the recovery of Council Tax and Business Rates.

Risk

- 3.5 The maintenance of collection rates has been identified as a key risk within the Revenue Services Section. The approval of a recovery policy and recovery procedures, to provide a framework within which officers can make decisions for the recovery of outstanding balances, has been identified as a key action mitigating the risk of failing to maintain collection rates.
- 3.6 The Local Government Ombudsman has an expectation that councils will have an approved policy and procedures for the recovery of Council Tax and Non-Domestic rates. Failure to review and approve the Recovery Procedures could lead to finding of mal-administration against the Council. The approval of the policy will reduce the likelihood of this outcome

3.7 Sustainability / Environmental

None.

Report

4. Background

- 4.1 The authority has a general duty to ensure economy, efficiency and effectiveness in the billing and collection of Council Tax and Non-Domestic Rates. In addition to this duty recent decisions of the Local Government Ombudsman (LGO) and his annual report published in July have made it clear that there is an expectation that Councils will have clear and easily understood policies and procedures for the collection of Council Tax and Non-Domestic Rates.

4.2 The approval of a Recovery Policy and Recovery procedures will provide a structure within which we can demonstrate economy, efficiency and effectiveness and will satisfy the requirements of the LGO for approved procedures to be in place.

5. **Key Issues**

5.1 The existing framework within which decisions relating to the recovery of Non-Domestic Rates and Council Tax does not provide detailed considerations to assist in the selection of the appropriate recovery action.

5.2 The LGO has been openly critical of Council's with policies which do not provide officers a framework within which the appropriate recovery options, including bankruptcy can be considered.

5.3 The LGO has gone as far as to state that they consider it maladministration where bankruptcy action is being taken in the absence of such a policy.

6. **Other Implications**

Asset Management - None.

Community Safety - None.

Human Resources - None.

Social Exclusion - None.

7. **Lessons Learnt**

None.

8. **Background Papers**

None.

9. **Consultation**

This report has been prepared in consultation with relevant Borough Council Officers.

10. **Author of Report**

The author of this report is David Riley (Revenue Services Manager) who can be contacted on extension 3382 (e-mail: david.riley@redditchbc.gov.uk) for more information.

11. Appendices

Appendix 1 - Draft Council Tax and Non-Domestic Rates Recovery Policy.