

**Body:** Audit & Governance

**Date:** 4 December 2013

**Subject:** Council Tax and Business Rates Collection and Recovery Policy

**Report Of:** Bill McCafferty, Revenues & Benefits Manager

**Ward(s)** All

**Purpose** To provide a policy for the collection of Council Tax and Business Rates.

**Recommendation:** That the policy is adopted.

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## **1.0 Background**

- 1.1 Council Tax is the contribution made by residents of Eastbourne to help meet the costs of services provided by the Council, the County Council, the Fire Service and the Police Service.
- 1.2 In 2013/14 the total Council Tax due to be collected is c£52m on c47,000 properties. Of the Council Tax collected, the Council retain 14%, with approximately 72% going to the County Council, 5% to the Fire Service and 9% to the Police.
- 1.3 There are certain discounts and exemptions available to people, for example people living on their own can get a 25% Single Person Discount and the Council operate a Local Council Tax Reduction scheme to help people on a low income to pay their Council Tax.
- 1.4 Business Rates (National Non-Domestic Rates) is a charge levied on commercial properties. There are certain discounts and exemptions available to businesses.

In 2013/14 there is c£34m of Business Rates to collect on c2,800 properties.

## **2.0 Collection and Recovery Policy**

- 2.1 The policy (Appendix A) is intended to set the framework within which, along with the statutory provisions, the Council will seek to collect the taxes and to recover any unpaid Council Tax and Business Rates.
- 2.2 In drafting the Policy account has been taken of the Citizens Advice Bureau's 'Collection of Council Tax Arrears Good Practice Protocol' and the Department for Communities and Local Government's 'Guidance to local councils on good

practice in the collection of Council Tax arrears’.

For example, the Revenues team are in the processes of signing up to the CAB protocol.

2.3 The aims of the policy are:

1. To bill customers accurately and in a timely manner
2. To help customers get the discounts and exemptions they are entitled to
3. To comply with relevant legislation
4. To take into account guidance and best practice
5. To collect taxes due in a fair and efficient manner
6. To provide payment methods that are convenient to the taxpayer
7. To discharge the Council’s duty in relation to the recovery of Council Tax and Business Rates
8. To take recovery action taking into account individual’s circumstances as far as practicable
9. To make use of distress or committal only as a last resort
10. To treat individuals consistently and fairly, regardless of age, sex, gender, disability, race and sexual orientation
11. To protect individuals rights under Data protection and Human Rights legislation

### **3.0 Legislative Requirements**

3.1 The Council Tax (Administration and Enforcement) Regulations 1992 (as amended) and the Non-Domestic Rating (Collection and Enforcement) (Local lists) Regulations 1989) (as amended) provide for the manner in which Council Tax and Business Rates are to be collected.

3.2 The process for collection of both tax and rates is set out in the Policy. The policy complies with the requirements of the relevant legislation

3.3 The Revenues team has in the last two months reviewed and revised the statutory documentation it sends to tax payers. The Citizens Advice Bureau was given the opportunity to review the notices in draft form. They did not make any recommendation on changes to the text.

### **4.0 Consultation**

4.1 Consultation has taken place with the following organisations:

- Citizens Advice Bureau

- Disability Involvement Group
- East Sussex Credit Union
- Salvation Army
- Eastbourne Cultural Communities Network
- Crime Reduction Partnership
- East Sussex County Council
- Activating Eastbourne

4.2 There was very little feedback apart from that of the CAB. Their comments surrounded issues that will be addressed by the Council agreeing to the protocol referred to at 2.2.

## **5.0 Resource Implications**

5.1 Financial

The efficient and effective collection of Council Tax will increase the Council's cash flow and allow Council Tax to be set at as low a rate as possible.

5.2 Staffing

A robust policy provides a framework within which staff can operate.

## **6.0 Anti-Poverty**

6.1 The Council are aware that, in the current economic climate, some people and businesses will face difficulties paying their Council Tax and/or Business Rates. Whilst the Council will be sympathetic, any unpaid taxes can only add to those

6.2 The Council offer a variety of ways to pay and several instalment dates to accommodate individual's circumstances. We will also enter into special arrangements with people who are experiencing severe difficulties.

6.3 The Council Tax documentation gives details of where people can go for advice if they are struggling to meet their commitments.

## **7.0 Equalities**

7.1 An Equality & Fairness analysis has been carried out (Appendix B)

## **8.0 Conclusion (this should include a summary of the reasons for the recommendations).**

That the policy provides a suitable framework for the collection of taxes and rates and should be adopted by the Council for the reasons given in the report.

**Lead officer name: Bill McCafferty**  
**job title: Revenues and Benefits Manager**

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Appendix A – Council Tax & Business Rates Collection and Recovery Policy  
Background Papers

Appendix B – Equality & Fairness analysis

The Background Papers used in compiling this report were as follows:

'Guidance to local councils on good practice in the collection of Council Tax arrears' –  
DCLG May 2013

'Collection of Council Tax arrears – Good practice Protocol' – Citizens Advice Bureau  
2009

To inspect or obtain copies of background papers please refer to the contact officer  
listed above.

(document reference)