

**ECONOMY AND RESOURCES SCRUTINY COMMITTEE  
4 JANUARY 2024**

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**COUNCIL TAX AND BUSINESS RATES RECOVERY STRATEGY 2024-2029**

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**Responsible Cabinet Member -  
Councillor Mandy Porter, Resources Portfolio**

**Responsible Director -  
Elizabeth Davison, Group Director of Operations**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To consider the draft Council Tax and Business Rates Recovery Strategy 2024-2029 before approval by Cabinet on 9 January 2024.

**Summary**

2. The Local Government Finance Act 1992 and the Council Tax (Administration and Enforcement) Regulations 1992 provide the legal framework for the collection of Council Tax. The Local Government Finance Act 1988 and the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 provide the legal framework for the collection of Business Rates.
3. Once a Liability Order has been obtained from the Magistrate's Court for unpaid Council Tax and Business Rates, the Council has a number of options to recover and enforce these debts.
4. The Council Tax and Business Rates Recovery Strategy 2024-2029 at **Appendix 1** sets out how the Council will use its discretionary and statutory powers to facilitate payments, recover debts and maintain a firm but fair approach to collection and recovery.

**Recommendation**

5. It is recommended that :-
  - (a) Members consider the draft Council Tax and Business Rates Recovery Strategy 2024-2029 at **Appendix 1** and agree its onward submission to Cabinet.

**Reasons**

6. The recommendations are supported by the following reasons :-

- (a) The Council has a statutory responsibility for the collection of Council Tax and Business Rates, including the recovery and enforcement of debts.
- (b) The adoption of a formal Council Tax and Business Rates Recovery Strategy will help to demonstrate how we will exercise our discretionary and statutory powers to ensure fairness and consistency of decision making.

**Anthony Sandys**  
**Assistant Director – Housing and Revenues**

**Background Papers**

- (i) Local Government Finance Act 1988
- (ii) Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989
- (iii) Local Government Finance Act 1992
- (iv) Council Tax (Administration and Enforcement) Regulations 1992
- (v) Taking Control of Goods Act 2014
- (vi) Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020

Anthony Sandys: Extension 6926

S17 Crime and Disorder	There are no issues
Health and Wellbeing	There are no issues
Carbon Impact and Climate Change	There is no impact in this report
Diversity	The Council must adhere to the Equality Act 2010, in the collection of Council Tax and Business Rates
Wards Affected	All wards are affected
Groups Affected	People with liability to pay Council Tax and Business Rates
Budget and Policy Framework	The issues contained within this report do not represent a change to Council budget or the Council’s policy framework
Key Decision	This is not a key decision
Urgent Decision	This is not an urgent decision
Council Plan	This report supports the Council Plan to maximise Council Tax and Business Rates income
Efficiency	The collection of Council Tax and Business Rates underpins the Council’s MTFP
Impact on Looked After Children and Care Leavers	Care leavers under the age of 25 are exempt from Council Tax under our Discretionary Relief powers and are therefore unaffected by this strategy

## MAIN REPORT

### Information and Analysis

7. The Local Government Finance Act 1992 and the Council Tax (Administration and Enforcement) Regulations 1992 provide the legal framework for the collection of Council Tax. The Local Government Finance Act 1988 and the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 provide the legal framework for the collection of Business Rates.
8. The Council Tax and Business Rates Recovery Strategy 2024-2029 at **Appendix 1** sets out how the Council will use its discretionary and statutory powers to facilitate payments, recover debts and maintain a firm but fair approach to collection and recovery, and covers the following areas:
  - (a) The aims and principles of the strategy, and the legal framework for the collection, recovery and enforcement of debts.
  - (b) The statutory processes for deciding liability, the issuing of demand notices and the collection of Council Tax and Business Rates through the issuing of reminders, up to and including Court action.
  - (c) The process of obtaining Liability Orders from the Magistrate's Court for Council Tax and Business Rates debts.
  - (d) The recovery and enforcement of debts, once a Liability Order has been obtained from the Magistrate's Court, including:
    - (i) Payment arrangements
    - (ii) Attachment of Earnings
    - (iii) Deductions from certain welfare benefits
    - (iv) Enforcement Agents
    - (v) Charging Orders
    - (vi) Bankruptcy/Liquidation proceedings
  - (e) How we deal with vulnerable customers and the Breathing Space scheme.
9. The collection of Council Tax and Business Rates is a high priority for the Council and is the main revenue source for the funding of key Council services. A summary of Council Tax and Business Rates collection from 2012 is given at **Tables 1 and 2** below and shows that collection rates remain high and arrears are well managed.

#### **Table 1: Council Tax collection summary (as at March 2023)**

Year	Council Tax (£,000)				Percentage Collected to date
	Due	Collected	Written-off	Outstanding	
2012-13	41,265	40,894	360	11	99.1%
2013-14	44,666	44,175	480	11	98.9%
2014-15	46,295	45,695	580	20	98.7%
2015-16	47,880	47,199	652	29	98.6%
2016-17	50,245	49,520	675	50	98.6%
2017-18	53,296	52,483	702	111	98.5%
2018-19	57,179	56,303	643	233	98.5%
2019-20	60,119	59,208	389	522	98.5%
2020-21	61,624	60,463	251	910	98.1%
2021-22	67,717	65,546	298	1,873	96.8%
2022-23	71,132	68,358	103	2,671	96.1%

**Table 2: Business rates collection summary (as at March 2023)**

Year	Business Rates (£,000)				Percentage Collected to date
	Due	Collected	Written-off	Outstanding	
2012-13	32,352	31,771	573	8	98.2%
2013-14	33,266	32,673	575	18	98.2%
2014-15	33,556	33,119	436	1	98.7%
2015-16	34,090	33,758	328	4	99.0%
2016-17	35,776	35,340	421	15	98.8%
2017-18	33,758	33,372	370	16	98.9%
2018-19	34,042	33,662	321	59	98.8%
2019-20	33,388	33,223	103	62	99.5%
2020-21	18,480	18,474	54	-48	100.0%
2021-22	26,704	26,662	38	4	99.8%
2022-23	31,885	31,817	2	66	99.8%

### Financial Implications

10. The recommendation in paragraph 5 will not have any significant financial implications and therefore it is not intended to amend the budget in the MTFP.