

TONBRIDGE & MALLING BOROUGH COUNCIL
FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

21 September 2016

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 COUNCIL TAX RECOVERY POLICY

This report seeks Members' approval of an update to the Council Tax Recovery Policy.

1.1 Introduction

- 1.1.1 Following a Local Government Ombudsman report in 2012, a Corporate Debt Recovery Policy was created, bringing the various debt collection procedures together into one document.
- 1.1.2 The current version is available on the Council's website, https://www.tmbc.gov.uk/_data/assets/pdf_file/0005/71168/Corporate-debt-recovery-policy_1.pdf
- 1.1.3 Since the Local Council Tax Reduction scheme was introduced in 2013, it has become apparent that the current procedure of recovering debts from residents in receipt of this reduction is no longer appropriate.
- 1.1.4 The current procedure (Annex A of the Corporate Debt Recovery Policy covering Council Tax) involves applying for a deduction to be made from a resident's benefit. The amount to be taken is specified in legislation (£3.70 per week); however, as this amount is insufficient to clear a year's council tax plus court costs (and only one deduction may be done at a time), this is resulting in multiple debts accruing as the resident is unable to maintain payments for their ongoing council tax charges.
- 1.1.5 With the pressures being placed on the Council's finances, I therefore feel it is now appropriate for this procedure to be updated. I propose that in cases where debtors are making no attempt to pay their ongoing charges, it should (subject to the merits of the case) be an option for the council tax team to pass these debts to the Council's enforcement agent.
- 1.1.6 I therefore propose that the policy is amended accordingly as shown at **ANNEX 1**. The proposed changes are shown in red font. I have also taken the opportunity to

update the policy with regards to now being able to apply for deductions from a person's Universal Credit entitlement.

1.2 Legal Implications

1.2.1 As set out in the attached annex as appropriate.

1.3 Financial and Value for Money Considerations

1.3.1 As set out in the attached annex.

1.4 Risk Assessment

1.4.1 The current procedure allows residents to accrue multiple debts, placing them in financial hardship. It also reduces the Council's ability to collect unpaid debts in an effective manner, impacting on the collection rate and increasing the level of unpaid debt.

1.5 Equality Impact Assessment

1.5.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.6 Recommendations

1.6.1 Members are **REQUESTED** to **RECOMMEND** to Cabinet the approval of the amended Corporate Debt Recovery Policy.

The Director Of Finance and Transformation confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and policy Framework.

Background papers:

Nil

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