

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

POLICY AND RESOURCES CABINET BOARD

REPORT OF THE HEAD OF FINANCIAL SERVICES - D.REES

Matter for Decision

Wards Affected - All Wards

COUNCIL TAX - RECOVERY OF COSTS 2015-16

1. **Purpose of Report**

To inform Members of changes to the recovery of fees and charges for 2015-16.

2. **Background**

The Council Tax (Administration & Enforcement) Regulations allow the Council to levy an additional fee which is equal to the amount of costs reasonably incurred in making an application for a Liability Order through the Magistrate's. Reasonable costs are not defined in the regulations, but should reflect the cost to the Council of the processes undertaken in obtaining the Liability Order.

In January 2015 members approved costs for 2015-16 as follows –

- on the issue of a summons - £41.00
- on the granting of a liability order - £25.00

(Thus resulting in a total fee of £66.00 when both are granted)

Following a High Court hearing on the 6th May 2015 between Rev. Paul Nicholson and Tottenham Magistrates Court (summary in Appendix 1) where the level of costs charged by The London Borough of Haringey came under scrutiny, Swansea Magistrate's Court requested a detailed breakdown of costs charged by Neath Port Talbot Council in obtaining a liability order to substantiate the award of costs to the Council.

3. Financial Impact

In order to satisfy the Court that Neath Port Talbot Council is setting the level of costs reasonably incurred in obtaining a summons and liability order, a detailed analysis of expenditure incurred in carrying out the process was undertaken and the final figures forwarded to the Court are detailed below:-

	Costs associated with obtaining a summons	Costs associated with obtaining a liability order
Council Tax staff costs	£168,428.12	£56,142.71
Support Service costs	£63,161.78	£21,053.93
OSS costs	£2,643.75	£881.25
I.T costs	£3,307.50	£1,102.50
Postage	£7,162.38	£2,036.25
Printing	£688.60	£226.25
Total cost	£245,392.13	£81,442.89
Number of documents issued 2014/15	5,361	4,525
Total cost divided by number of documents issued	£45.77	£21.00 plus court fee £3.00 = £24.00

As the cost associated with obtaining a summons is in excess of the £41.00 previously approved by members this fee level has been increased to £42.00. On the other hand costs associated with liability orders were lower by £1.00 at £24.00. As a consequence the Court is now awarding the Council this lower fee level. The resulting total fee level when both a summons and liability order is granted totals £66.00, the same total as previously approved by members. However based upon last year's total volumes granted income will increase by some £836.

4. Equality Impact Assessment

The Equality Act 2010 requires public bodies to “pay due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- foster good relations between persons who share a relevant protected characteristics and persons who do not share it.

Council Tax is a universal tax that all tax payers are required to pay. The most financially disadvantaged tax payers within the community benefit from the Council Tax Reduction Support Scheme which can help pay up to 100% of the Council Tax for eligible tax payers. Following reminders and continuing non-payment legislation is in place enabling Councils to seek redress through the Magistrates’ Court. The costs of pursuing such action via summonses and liability orders can be recovered in line with the legislation. All tax payers are treated equally in terms of this recovery process.

5. Legal Impacts

This report satisfies the requirement as set out in Regulation 34(7) of the Council Tax (Administration and Enforcement) Regulations 1992 (SI 1992 No.613) that a court, when granting a liability order, shall make an order reflecting the aggregate of the outstanding council tax and "a sum of an amount equal to the costs reasonably incurred by the applicant in obtaining the order.

6. Consultation

There has been no requirement under the Constitution for external consultation on this item.

7. Recommendation

It is recommended that members note that in order to comply with case law the Magistrates Courts are applying the updated fee levels for 2015-16 of a summons fee at £42.00 and a liability order fee of £24.00, in line with the costs identified.

8. Reason for Proposed Decision

To inform members of the updated fee levels being applied by the Magistrates' Courts in relation to summonses and liability orders.

9. Implementation of Decision

The decision needs to be endorsed following implementation by the Magistrates' Courts and is not subject to call in.

10. List of Background Papers

Council Tax (Administration & Enforcement) Regulations 1992

Council Tax Files & Case Law - Nicolson, R (on the application of) v Tottenham Magistrates & Anor [2015] EWHC 1252

11. Officer Contact

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