
Council Tax and Non-Domestic Rates Recovery Policy

Report by Director of Resilient Communities

Scottish Borders Council

31 August 2023

1 PURPOSE AND SUMMARY

- 1.1 This report seeks approval for a Council Tax and Non-Domestic Rates Recovery Policy.**
- 1.2 Scottish Borders Council has previously followed procedures in line with The Council Tax (Administration and Enforcement) Regulations 1992 and The Non-Domestic Rates (Collection and Enforcement) Regulations 1989.
- 1.3 This policy has been created to provide Scottish Borders Council employees and customers with a document they can refer to in relation to Council Tax and Non-Domestic Rates recovery. This policy will not change the current recovery process.
- 1.4 In March 2023 a total of 59,656 annual Council Tax bills were issued. In April 2023 11% of customers failed to pay their Council Tax instalment and received a reminder from which 69% went on to receive a Final Notice as they failed to bring their instalments up to date.
- 1.5 In April 2023 we issued 8,839 Non-Domestic Rates Bills. In May 2023, 6% of the 7,390 customers we pursued failed to pay their Rates instalment and received a reminder from which 74% went on to receive a Final Notice as they failed to bring their instalments up to date.

2 RECOMMENDATIONS

- 2.1 I recommend that the Council approves the Council Tax and Non- Domestic Rates Recovery Policy, as detailed in [Appendix 1](#), and that it takes immediate effect.**

3 BACKGROUND

- 3.1 Scottish Borders Council have followed Council Tax and Non-Domestic Rates procedures in accordance with The Council Tax (Administration and Enforcement) Regulations 1992 and The Non- Domestic Rates (Collection and Enforcement) Regulations 1989 since the charges were introduced.
- 3.2 It is essential for Scottish Borders Council to demonstrate that it carries out administration and recovery of Council Tax and Non-Domestic Rates debt efficiently, effectively, and fairly and by doing so the Council:
 - (i) provides Revenue;
 - (ii) deters fraud and error;
 - (iii) demonstrates commitment to accuracy; and
 - (iv) demonstrates a provision of quality service to customers.
- 3.3 The stages involved in Council Tax and Non-Domestic Rates Recovery are:
 - (i) A recovery timetable is drawn up at the beginning of each financial year;
 - (ii) Demand notices, reminder and/or final notices are issued in accordance with the timetable and regulations;
 - (iii) A summary warrant is issued by the Sheriff Court; and
 - (iv) Debt may be passed to the Sheriff Officer for diligence.
- 3.4 In March 2023 a total of 59,656 annual Council Tax bills were issued. In April 2023 11% of customers failed to pay their Council Tax instalment and received a reminder (6,738 reminders) from which 69% went on to receive a Final Notice as they failed to bring their instalments up to date (4,678 finals).
- 3.5 In April 2023 we issued 8,839 Non-Domestic Rates Bills. As a result of late legislative changes and software issues, we did not pursue 1,449 of these accounts. In May 2023, 6% of the 7,390 customers we did pursue failed to pay their Rates instalment and received a reminder (519 reminders) from which 74% went on to receive a Final Notice as they failed to bring their instalments up to date (382 finals).
- 3.6 Digital transformation allows more customers to self-serve for a variety of Council services on the website, enabling Customer Service Advisers to spend more time with debtors giving them an opportunity to maximise their income and sign post customers for other assistance to reduce poverty and improve the cost of living crisis for individuals.

3.7 This includes :

- (i) Offering the customer to pay by direct debit over 12 months instead of 10 months;
- (ii) Offer Revised Instalment Plans (RIP's) to allow a more flexible payment schedule to suit the customer's needs. RIP's must be paid by direct debit and must be clear by the end of the financial year;
- (iii) Check customers receive all income they are entitled to;
- (iv) Signposting for help with applications for benefit;
- (v) Referring the customer to their energy provider for support or to Home Energy Scotland for energy efficiency advice
- (vi) Refer debtors to Citizens Advice for money advice.

4 AIMS OF THE POLICY

4.1 The specific aims of the policy, which is included at Appendix 1, are:

- (i) To ensure all customers pay in accordance with their bills or demand notices or by agreement in accordance with the regulations;
- (ii) To ensure bills and demand notices are issued at the earliest opportunity in accordance with the regulations;
- (iii) To take prompt action to reduce the risk of arrears escalating and becoming unmanageable to the customer;
- (iv) That the Council's approach to debts/arrears is fair and consistent for all customers;
- (v) To take appropriate action to recover outstanding monies;
- (vi) To recognise that failure to recover monies due impacts on the Council's ability to provide key services.
- (vii) To recognise payers may have difficulties in paying and to offer alternative support.

5 IMPLICATIONS

5.1 Financial

There are no changes to the costs attached to any of the recommendations contained in this report.

5.2 Risk and Mitigations

If we do not introduce a Council Tax and Non-Domestic Rates Recovery Policy, we put the Council at risk of not recovering debt owed to the Council.

5.3 **Integrated Impact Assessment**

An IIA was carried out and there is no negative impact identified.

5.4 **Sustainable Development Goals**

The policy has no impact on Sustainable Development Goals.

5.5 **Climate Change**

This policy has no impact on climate change.

5.6 **Rural Proofing**

There are no effects on rural proofing.

5.7 **Data Protection Impact Statement**

There are no personal data implications arising from the proposal.

5.8 **Changes to Scheme of Administration or Scheme of Delegation**

There are no changes to be made.

6 **CONSULTATION**

- 6.1 The Director Finance & Procurement, the Director Corporate Governance, the Chief Officer Audit and Risk, the Director (People Performance & Change), the Clerk to the Council and Corporate Communications have been consulted and the comments received have been incorporated into the final report.

Approved by

Jenni Craig

Director Resilient Communities

Author(s)

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Background Papers: N/A

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