

CYNGOR SIR POWYS COUNTY COUNCIL.

PORTFOLIO HOLDER DELEGATED DECISION

Date: 21st June 2013

REPORT AUTHOR: Andrew Griffiths

FOR DECISION BY: Cllr Dai Davies- Portfolio Holder for Finance

SUBJECT: Summons and liability Order Fees

REPORT FOR: Decision

1.0 Summary

- 1.1 The Council Tax and Non-Domestic Rating (Amendment) (Wales) Regulations 2011, which came into force with effect from the 1st April 2011, prescribes a maximum amount a Billing Authority may charge in connection with applications for liability orders, including the costs for instituting the application, sought by the serving of a Summons through the Magistrates Court.
- 1.2 The maximum charge in respect of both Council Tax and Business Rates is £70:00. These are payable to cover the Authority's additional expenses which occur as a result of the extra work involved in issuing the Summons and attending the Magistrates Court to secure Liability Orders. It would be unfair to burden Council Taxpayers who pay on time with this extra administrative cost.

2.0 Background

- 2.1 The Authority currently charges £10:00 for the serving of a Summons and £50:00 costs on securing a Liability Order at Magistrates Court.
- 2.2 A detailed analysis of the current costs associated with the serving of a Summons and securing a Liability Order in Court has been undertaken and the details can be found in **appendix 1..**
- 2.3 Charges by Mid and North Wales Authority's has been gathered to assist in the review of current charges made by Powys County Council. Further details can be found in **appendix 2.**
- 2.4 Whilst the above mentioned Regulations prescribe a maximum charge of £70:00 the primary Legislation stipulates that the Court shall grant costs that are reasonably incurred by the Authority in both the serving of a Summons and the securing of a Liability Order.

2.5 The Authority wrote to the Magistrates Court outlining the proposed changes in charges who duly confirmed that the proposed charges were reasonable considering the costs incurred during the enforcement procedures.

3.0 Proposal

3.1 It is proposed to adjust the charge structure to reflect the cost to the Authority in the issuing of a Summons and attending Court to secure a Liability Order.

4.0 Powys Change Plan

4.1 This has no direct impact on the Powys change plan.

5.0 Options Considered/Available

5.1 **Option One**- Continue with current charges of £10:00 for the serving of a Summons and £50:00 for securing a Liability Order at Court.

5.2 **Option Two**- To adjust the charges to £40:00 for the serving of a Summons and £30:00 for the securing of a Liability Order at Court.

6.0 Preferred Choice and Reasons

The preferred choice is Option Two for the following reasons:

6.1 The administration cost incurred by the Authority in the serving of Summons and the securing of Liability Orders in Magistrates Court is raised in charges.

6.2 The additional administration cost associated with serving a Summons and securing a Liability order will be met by those who do not pay their Council Tax and Business Rates on time, and not by those that pay in a timely manner.

6.3 The Magistrates Court have confirmed the proposed charges in option Two are reasonable.

7.0 Sustainability and Environmental Issues/Equalities/Crime and Disorder,/Welsh Language/Other Policies etc

7.1 There is no impact.

8.0 Children and Young People's Impact Statement - Safeguarding and Wellbeing

8.1 There is no impact

9.0 Local Member(s)

9.1 To be implemented County wide

10.0 Other Front Line Services

10.1 Customer Services will be fully appraised with regards to the proposed Changes to the charges to be imposed prior to implementation

11.0 Support Services (Legal, Finance, HR, ICT, BPU)

11.1 Legal - Provided the increase in fees represents the cost incurred by the Council in pursuing the non-payment of Council Tax and Business rates then Legal are content with the proposal.

12.0 Local Service Board/Partnerships/Stakeholders etc

12.1 There are no implications to the Local Service Board

13.0 Communications

13.1 A news release will be issued following decision by the Cabinet. Websites and corporate literature should be updated following decision accordingly.

14.0 Statutory Officers

14.1 The Section 151 Officer commented: I support the proposals in the Report they will assist the service to stay within budget.

14.2 The Solicitor to the Council (Monitoring Officer) has commented as Follows:

“I note the legal comment and have nothing to add to the Report”

15.0 Members' Interests

15.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

16.0 Future Status of the Report

16.1 Members are invited to consider the future status of this report and whether it can be made available to the press and public either immediately following the meeting or at some specified point in the future.

Recommendation:	Reason for Recommendation:
accept the recommendations contained In 5.2 above.	To provide revenue to meet the additional administrative cost associated with enforcing non-payment.

Relevant Policy (ies):	
Within Policy:	Y
Within Budget:	Y

Relevant Local Member(s):	
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Person(s) To Implement Decision:	Mr A M Griffiths
Date By When Decision To Be Implemented:	1st July 2013

Contact Officer Name:	Tel:	Fax:	Email:
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Background Papers used to prepare Report:

Appendix One- Costs analysis

Appendix Two- Mid and North wales Authority charges

Appendix One

Costs reasonably incurred

Costs	Value	Summons	Liability Order
Senior Enforcement Officer	£ 35,266.85	£ 26,450.14	£ 8,816.72
Assistant Senior Enforcement Officer	£ 26,604.52	£ 19,953.39	£ 6,651.13
Enforcement Officer	£ 24,781.43	£ 18,586.07	£ 6,195.36
B&C Officers (3)	£ 50,017.28	£ 25,008.64	£ 25,008.64
Customer Services Officer (2)	£ 50,017.28	£ 37,512.96	£ 12,504.32
Manager (25%)	£ 12,175.36	£ 9,131.52	£ 3,043.84
Travel expenses	£ 4,000.00		£ 4,000.00
HMCS- summons fees	£ 24,000.00	£ 24,000.00	£ -
1st reminders	£ 2,454.00	£ 2,454.00	£ -
2nd reminders	£ 631.68	£ 631.68	£ -
Finals	£ 1,530.72	£ 1,530.72	£ -
summons	£ 688.44	£ 688.44	£ -
Postage	£ 24,000.00	£ 24,000.00	£ -
ICT-Northgate	£ 16,000.00	£ 10,000.00	£ 6,000.00
ICT -recharge	£ 10,937.50	£ 7,437.50	£ 3,500.00
Corporate recharge	£ 11,562.50	£ 7,862.50	£ 3,700.00
Accommodation	£ 4,000.00	£ 2,000.00	£ 2,000.00
Telephone calls	£ 3,500.00	£ 1,750.00	£ 1,750.00
Legal fees, Recharge	£ 10,000.00		£ 10,000.00
Trace system/costs	£ 5,000.00	£ 3,000.00	£ 2,000.00
	£	£	£

317,167.56 221,997.56 95,170.01

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	£	£
Cost per case	40.36	29.74
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Appendix Two

Authority charges from 01/04/13

Authority	Issue of a Summons	Liability Order costs sought	Total
Ceredigion	£ 40.00	£ 30.00	£ 70.00
Denbighshire	£ 70.00	£ -	£ 70.00
Flintshire	£ 50.00	£ 20.00	£ 70.00
Gwynedd	£ 40.00	£ 30.00	£ 70.00
Conwy	£ 70.00	£ -	£ 70.00
Angelsey	£ 30.00	£ 40.00	£ 70.00
Wrexham	£ 40.00	£ 20.00	£ 60.00
Average	£ 48.57	£ 20.00	£ 68.57