

POWYS COUNTY COUNCIL.

CABINET EXECUTIVE

30th July 2019

**REPORT AUTHOR: County Councillor Aled Davies
Portfolio Holder for Finance**

SUBJECT: Council Tax Protocol for Wales 2019

REPORT FOR: Decision

1. INTRODUCTION

- 1.1 Welsh Government have introduced a Council Tax protocol for Wales with effect from April 2019 and want each Council to adopt this approach in the collection, recovery and enforcement of Council Tax.
- 1.2 Appendix 1 shows the new protocol arrangements.

2. THE PROTOCOL

- 2.1 The Protocol is intended to ensure that Council's enforcement agents and advice agencies work closer together and that Council's engage earlier with Council Tax payers who are struggling with debt and payment.
- 2.2 The Protocol also outlines best practice and guidance around how to recognise and deal with vulnerable customers.
- 2.3 This Protocol is also intended to strengthen the consistency across Wales in the collection process and in the support to those who have difficulty in managing their affairs, whilst ensuring enforcement is effective against households who have the means to pay but make deliberate choices not to do so.
- 2.4 Powys Council currently has a billing and collection framework, which is attached at Appendix 2.
- 2.5 An assessment of the new Protocol has indicated that it will cohere with Powys Council's current framework intent or practice.
- 2.6 The Protocol would also encourage closer working between Powys and the Enforcement Agents and local advice agencies which would be welcomed by the collection and recovery teams.
- 2.7 Our existing enforcement agency, Excel have reviewed the Protocol and have confirmed they are able to endorse and comply with it.

- 2.8 There is no significant impact on collection, and may have a positive impact by encouraging early engagement when debts may be of a smaller value and thus easier to collect via other means available to the Council.
- 2.9 Whilst not directly relevant to the Protocol, it is appropriate to advise Cabinet that Welsh Government from April 2019, removed the legal option for Councils' to use the committal route to enforce the recovery of Council Tax . We currently have 62 cases at pre-committal stage with debt of approximately £97,000. That debt and any other debt in future years will need to be recovered using alternative methods, other than committal. Also Powys like many other Local Authorities use the threat of committal as a persuasion to encourage payment. The impact of not having persuasion in the whole recovery process is difficult to measure in the short term.
- 2.10 The potential modelled impact of this change in in year collection rates are:

	2019/20	2020/21	2021/22
loss in collection	£150,000	£175,000	£200,000
estimated ctax rev	£83.8m	£88m	£92.4m
loss in collection	0.18%	0.20%	0.21%

3. RECOMMENDATION

It is recommended:

- 3.1 That the Protocol be endorsed by Cabinet and signed by the Portfolio Holder for Finance.
- 3.2 Then, assuming Cabinet agreement, the Protocol would be implemented into the Billing Collection and Recovery framework for Powys and income and Awards will look to adopt this into their working practices.

4. SUPPORT SERVICES (Legal, Finance, HR, ICT)

- 4.1 Finance: The Finance Business Partner notes the implications regarding the new protocol which has been introduced by the Welsh Government. As per 2.10 above, it could well lead to a reduction in collection rates leading to a loss in Council Tax revenue being collected. The impact will be monitored through the Councils budget monitoring process.
- 4.2 Legal: Professional Lead – Legal – support the recommendation and notes the implication regarding committal and the resulting impact this may have on recovery of debts.

5. **STATUTORY OFFICERS**

5.1 The Head of Financial Services S151 Officer supports the recommendation whilst noting the potential impact of the policy change from Welsh Government which removes the legal option for Councils' to use the committal route to enforce the recovery of Council Tax.

5.2 The Solicitor to the Council (Monitoring Officer) comments " I note the legal comments and have nothing to add to the report."

6. **MEMBERS' INTERESTS**

6.1 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.

Recommendation:		Reason for Recommendation:	
<p>1. That the Protocol in Appendix 1 to the report be approved and adopted with immediate effect and signed by the Portfolio Holder for Finance</p> <p>2. That the Protocol would be added into the Billing Collection and Recovery Framework for Powys and adopted into practice.</p>		<p>To meet the intended Welsh Government requirements for billing and collection of Council Tax.</p>	
Relevant Policy (ies):			
Within Policy:	Y	Within Budget:	Y
Person(s) To Implement		David Morris	
Relevant Local Member(s):		All Members	
Decision:		Senior Manager Income and Awards	
Date By When Decision To Be Implemented:		Immediately	
Contact Officer Name:	Tel:	Fax:	Email:
A Griffiths	01874 623309		andrewg@powys.gov.uk