

Impact of collecting low value Council Tax bills

It is expected that there would be an initial increase in communication from customers paying for the first time that would put pressure on the CSU and Local Taxation team. It may be necessary to bring in temporary resources to handle this. Following an initial peak, the ongoing additional caseload could probably be managed within existing staff resources.

Additional direct administration costs would be minimal, estimated at around £2,000 per year, mainly a result of increased postage and issuing of payment cards.

One-off consultancy fees may be required to update computer software parameters if the desired scheme is not configurable within the existing system. The cost will depend on the complexity required with consultancy costs at around £1,000 per day.

Magistrates' Court Recovery

Reminders are automatically generated by the system and posted after an instalment is missed. The reminder gives 7 days to bring the account up to date. If we do not hear from the customer and no payment is received a Court summons would be posted.

The Council will seek a Liability Order from the Magistrates' Court for Council Tax accounts that are in arrears. At present accounts with a balance of less than £96 are not pursued for Court Action. This figure is based on the amount of costs charged by the Council for taking Court action.

Depending on the parameters of the new scheme it is possible that the annual bill for a number of households will be less than this figure. It may be necessary to review the Court recovery procedure for cases such as these.

This process is not an administrative cost of the new scheme. However, the recovery procedures will have a direct impact on the amount of Council Tax collected and consequently the income retained by the Council.

Assuming the caseload can be managed within existing staff resources, there will be no other additional costs of administering the recovery of small amounts.