



Addendum to Resources Directorate Fees and Charges report

SUMMARY

- 1.1 This report provides an additional recommendation and supporting information to be taken into account alongside matters included in Item 4 – Resources Directorate Fees and Charges.

RECOMMENDATION

- 2.1 That court costs per liability order applications for Council Tax and Non-Domestic Rates are increased from the current level of £55 to £65.

REASONS FOR RECOMMENDATION

- 3.1 The proposal is in line with principles agreed by Council Cabinet at its meeting on 14 December 2010.

SUPPORTING INFORMATION

- 4.1 Customers who do not pay their Council Tax or Non-Domestic Rates can be summonsed to appear before Magistrates to explain why they have not paid. If the magistrates are satisfied that Council Tax or Non-Domestic Rates has been correctly demanded and that it has not been paid then a liability order can be awarded allowing the Council to take various courses of action to enforce payment. Such action may include a referral to bailiffs or making an attachment of earnings.
- 4.2 The costs of such action are charged to the Council Tax or Non-Domestic Rates payer by asking the Magistrates to award costs in favour of the Council. The amount of costs is not prescribed but must be “reasonable”.
- 4.3 In October 2010 the level of costs per application was increased from £45 to £55. This was the first increase since April 2006 and was based on the following factors:
- The fee charged by the Magistrates Court per application has increased from 70p to £3
 - General support service costs have risen by 7.3%
 - Direct cost increases, for example council tax staff costs have risen by 4% (pay awards) and second class postage costs have risen by 39%.

- 4.4 The recommendation represents a second rise within a short period of time. However, at £65 per application the costs remain reasonable and justifiable to the Magistrates if requested. An explanation of how the proposed court costs level of £65 has been arrived at is shown in the table at Appendix 2.
- 4.5 Further rigour has been applied to the test of reasonableness by comparing our proposed costs level with those currently applied by comparable local authorities within our audit family group. This is shown in the table at Appendix 3.

This report has been approved by the following officers:

Legal officer	
Financial officer	Mark Nash
Human Resources officer	N/A
Service Director(s)	Kath Gruber
Other(s)	N/A

For more information contact:	John Massey 01332 643774 john.massey@derby.gcsx.gov.uk
Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Breakdown of costs Appendix 3 – Current costs for comparable authorities

IMPLICATIONS

Financial and Value for Money

- 1.1 Based upon current numbers of liability orders obtained raising liability order costs by £10 per application will raise additional income of £50,000 per annum.

Legal

- 2.1 The level of costs per application is not prescribed but must be reasonable. The granting of costs per liability order is at the discretion of the Magistrates.

Personnel

- 3.1 None.

Equalities Impact

- 4.1 None.

Health and Safety

- 5.1 None.

Environmental Sustainability

- 6.1 None.

Corporate objectives and priorities for change

- 7.1 None.

Table 1. Breakdown of Costs

Category	Value £s	Explanation of costs
Staff costs	15.00	Includes the following <ul style="list-style-type: none"> • Staff time dealing with cases up to and including the issue of the summons. • Actual court time – Principal Officer and Team Leader – 1-4 hours • Post court work – withdrawals, dealing with letters plus any issues raised at court
Paper & delivery	4.00	Includes paper and delivery costs associated with the preparation, creation and distribution of reminders, second reminders, final notices, summonses and liability order notification letters. Also computer evidence printouts and certificates
On-costs and recharges	29.00	These costs cover the infrastructure upon which the court process is reliant – building costs, office equipment including PCs, printers, phone system etc. Also built into this element are associated costs incurred along the way, for example Land Registry checks
IT	14.00	Includes provision and maintenance of the Academy system as well as IT staff support time
Court costs	3.00	Mandatory court costs per summons
Total	65.00	

Table 2: Current costs for comparable authorities

Authority	Costs (£s)
Nottingham	70
Leicester	55
Wolverhampton	76