



Customer Services and Business Support Policy Advisory Group

Monday, 18 June 2018 at 6.00 pm

Room 6, Capswood, Oxford Road, Denham

A G E N D A

Item

1. Evacuation Procedure
2. Apologies for Absence
3. Minutes (*Pages 5 - 6*)

To approve the minutes of the Customer Services and Business Support PAG held on 5 March 2018

4. Declarations of Interest
5. Update on Revenues Recovery Project and Authorisation of Debts Written Off (*Pages 7 - 10*)
6. Credit Card Payments for Council Tax and Business Rates (*Pages 11 - 14*)
7. Exempt Information

To resolve that under Section 100(A)(4) of the Local Government Act 1972 the following item(s) of business is not for publication to the press or public on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act."

Paragraph 1 Information relating to any individual

Paragraph 3 Information relating to the financial or business affairs of any particular persons (including the authority holding that information).

8. Application for Discretionary Rate Relief (*Pages 15 - 18*)

Reasons for restriction: Paragraph(s) 3

Appendix A (Pages 19 - 26)

9. Application for Discretionary Rate Relief (2) (*Pages 27 - 30*)

Reasons for restriction: Paragraph(s) 3

Appendix A (Pages 31 - 34)

10. Update on Revenues Recovery Project and Authorisation of Debts Written Off - Confidential Appendix (*Pages 35 - 36*)

Reasons for restriction: Paragraph(s) 1

Note: All reports will be updated orally at the meeting if appropriate and may be supplemented by additional reports at the Chairman's discretion.

**Membership: Customer Services and Business Support Policy
Advisory Group**

Councillors: D Smith (Chairman)
M Bezzant
T Egleton
R Reed
D Saunders

Date of next meeting – Monday, 17 September 2018

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CUSTOMER SERVICES AND BUSINESS SUPPORT POLICY ADVISORY GROUP

Meeting - 5 March 2018

Present: D Smith (Chairman)
M Bezzant and D Saunders

Apologies for absence: T Egleton and R Reed

8. MINUTES

The minutes of the previous meeting held on 20 November 2017 were agreed.

9. DECLARATIONS OF INTEREST

There were no declarations of interest.

10. REPORTS FROM MEMBERS ON OUTSIDE BODIES (IF ANY)

None.

11. EXEMPT INFORMATION

12. APPLICATION FOR DISCRETIONARY RATE RELIEF

The PAG were asked to consider an application for Discretionary Rate Relief. Members were advised that charities and non-profit making organisations registered as having charitable status had an automatic entitlement to 80% Mandatory Rate Relief, whilst local authorities could also award Discretionary Rate Relief to top up to 100% .

The PAG were informed that, whilst the organisation had previously been in receipt of the Mandatory Rate Relief of 80%, they had never made an application for Discretionary Rate Relief in South Bucks. The contract agreed between the organisation and South Bucks in 2007 included a clause that the organisation would not be liable for the remaining 20% charge on either of their premises in the District, therefore the Council had been covering the cost to date. It was noted that awarding Discretionary Rate Relief would make an overall cost saving to the Council, and would mirror the position in Chiltern.

In response to a question it was advised that any charitable or non-profit organisation was eligible to apply for discretionary rate relief.

Having considered the advice of the PAG, the Portfolio Holder **AGREED** to **RECOMMEND** to Cabinet that Discretionary Rate Relief be awarded.

The meeting terminated at 6.07 pm

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SUBJECT:	<i>South Bucks District Council Arrears Collection Project</i>
REPORT OF:	<i>Cllr Duncan Smith</i>
RESPONSIBLE OFFICER	<i>Mrs Nicola Ellis Head of Customer Services</i>
REPORT AUTHOR	<i>Nicola Ellis 01895 837508 Nicola.ellis@southbucks.gov.uk</i>
WARD/S AFFECTED	<i>All</i>

1. Purpose of Report

The purpose of this report is to update Members on the progress of the project to recover arrears of Council Tax, Business Rates and Housing Benefit overpayments

2. Recommendation to Cabinet

- **Members are requested to note the progress of the South Bucks District Council Recovery project**
- **To authorise the write off of specified non domestic rates debts with values over £10,000 where all previous recovery attempts have failed and there are no further routes of recovery as set out in the confidential appendix.**

3. Reasons for Recommendations

At the commencement of the project it was agreed that progress would be reported to members. Throughout the project there will be debts that are to be written off as we are unable to recover, under the financial procedure rules write offs over £10,000 are to be authorised by cabinet.

4. Content of Report

Recovery Project Update

4.1. The shared service review identified that the level of arrears of Council Tax, Business Rates and Housing Benefits Overpayments were an area where the new service could improve recovery. This action would bring increased income to South Bucks District Council, Buckinghamshire County Council, Thames Valley Police Authority and Buckinghamshire & Milton Keynes Fire Service.

4.2. When the business case for the Joint Service was submitted to Members on 16 November 2015 the following income was estimated to be achieved via the project:

South Bucks portion of income	£ Total over two years
South Bucks net income for Council Tax and Business Rates (minus costs)	26,806
South Bucks income from Housing Benefit overpayments	71,290
Total income for South Bucks from Council Tax, Business Rates and Housing Benefit overpayments	98,096

4.3. At the beginning of the project the outstanding debts identified as being in scope of the project were as follows:

Debt	Total Debt Outstanding	Total Number of payers with Debt Outstanding
Council Tax	£2,554,126.85	1611
Business Rates	£876,507.00	90
Housing Benefit Overpayments	£1,378,046.52	1481

4.4. The project commenced in August 2016 and was planned to last for two years. Progress on the project was last reported to the PAG in March 2017 and at that point the figures reported were:

	Outstanding Debt Reduction	Payments Received	SBDC Income Share
Housing Benefit Overpayments	-£117,000	£36,000	£36,000
Business Rates	-£85,784	£34,000	£13,600
Council Tax	-£93,637	£6,500	£585
Total Income		£76,500	£50,185
Minus Costs			- £10,909
Net Income for SBDC			£39,276

4.5. At that point we were less than a third of the way through the project timescales and had already collected over 40% of the targeted income so were on target to deliver.

Project Update May 2018

4.6. At this point we are just over 80% of the way through the original project timescales and the current position is as follows:

	Housing Benefit Overpayments	Business Rates	Council Tax	
Opening Balance	£1,378,046.52	£876,507.00	£2,554,125.62	
Payments	£103,929.21	£83,358.77	£368,734.16	
Write Offs	£148,196.78	£4,220.10	£928,935.51	
Liability Adjustments	£21,402.70	£68,057.28	£67,628.68	
Balance O/S	£1,104,517.83	£720,870.85	£1,188,827.27	
South Bucks Income	£103,929.21	£33,343.51	£33,186.07	£170,458.79
Minus Costs				£30,909
Total Net Income for SBDC				£139,549.79

4.7. At this point in the project the expected income figure has **been exceeded by over 42%**.

Continuation of Project

4.8. The project was originally scheduled to conclude in August but the aim is to continue with this at least until the introduction of the shared service in November. After that the recovery of arrears will become part of the business as usual for the shared service along with an increased focus on in year recovery.

4.9. Whilst we do anticipate that additional income will be generated from the recovery of arrears the remit of the project was to reduce the arrears outstanding and in some circumstances the only option available to us is to write the debt off. This is likely to be a focus of the project team towards the end of the project to ensure that we embark on the fully shared service with manageable levels of arrears.

South Bucks District Council Write off requests

4.10 In accordance with the financial procedures rules Members are requested to consider the write off of nineteen non domestic rates debts that have a balance outstanding of over £10,000 each as set out in the schedule in the confidential appendix. These cases have been picked up by the Joint Revenues Service during the review of outstanding business rates accounts.

5. Consultation

Not applicable

6. Options

To continue with the recovery project in order to maximise the amount of income to South Bucks District Council and other precepting authorities in accordance with the recommendations above.

Write off of debts- There are no further options available other than to write off the debts listed due to the fact that the companies in question no longer exist and the debtors cannot be traced.

7. Corporate Implications

7.1 The continuation of the Shared Service recovery project will maximise the highest possible income for South Bucks District Council and the other precepting authorities and will also highlight any debts that are irrecoverable in order that they be written off at a future stage in order to reduce the high level of arrears outstanding in respect of Council Tax, non domestic rates and housing benefit overpayments.

7.2 In respect of the write off requests the debts described are irrecoverable. However 50% of these amounts will be offset against payments to the non domestic rate pool. There will be a 40% loss of revenue to South Bucks District Council and 10% to Buckinghamshire County Council and Buckinghamshire and Milton Keynes Fire Authority. The cost to the Council will be £119,470.42. However there is a provision for this in the accounts. .

8. Links to Council Policy Objectives

This report relates to the Council's aim to deliver cost effective customer focused services and to optimise the best use of all resources.

By continuing with the Shared Service recovery project income will be maximised and arrears reduced.

By writing these debts off time will not be wasted pursuing debtors and companies for which there is no possibility of payment.

9. Next Steps

To continue with the pursuit of all outstanding council tax, non domestic rates and housing benefit overpayments.

As a result of the proposed decision the non domestic rate debts outstanding of £298,676.06 would be written off and the outstanding balance on the account reduced to £zero. The amount written off would be included in future Government returns in order that the Central non domestic Rate pool shared its 50% share of the financial loss.

South Bucks District Council
Customer Services and Business Support Policy Advisory Group

18 June 2018

SUBJECT:	Credit Card Payments for Council Tax and Business Rates
REPORT OF:	Portfolio holder for Customer Services and Business Support
RESPONSIBLE OFFICER	Nicola Ellis – Head of Customer Services
REPORT AUTHOR	Nicola Ellis – Head of Customer Services Nicola.ellis@southbucks.gov.uk 01895 837508
WARD/S AFFECTED	Taxpayers across all wards

1. Purpose of Report

The purpose of the report is to consider revising the current policy not to accept credit card payments in respect of Council Tax and Business Rates.

RECOMMENDATION to Cabinet

It is recommended that members agree to accept credit card payments in respect of Council Tax and Business Rates.

2. Reasons for Recommendations

2.1 The acceptance of credit card payments meets customers' needs as identified by feedback from customers. This revision to the policy would mean that the available methods of payment are the same as those available for Chiltern District Council. The acceptance of credit cards supports the principles of the Customer Experience Programme as payment by credit card supports on line and automated payment mechanisms.

3. Background

- 3.1 Historically South Bucks District Council have had a policy not to accept credit cards in respect of payments for Council Tax and Business Rates. Members made this decision some time ago and at that time it was felt that it was not appropriate for customers to be using credit to pay a tax bill. When the decision was made credit card transactions also attracted an additional charge but from January 2018 this is no longer the case.
- 3.2 This policy was last reviewed by Overview and Scrutiny Committee on 11th November 2015 as part of a proposal to deliver additional income. The decision at that time was to continue with the policy not to accept credit cards.
- 3.3 In May 2016, the Revenues Shared Service was created and in November 2018 the service will be fully delivered in-house. From April 2017 Customer Services began dealing with all phone calls in respect of Revenues for South Bucks DC. Chiltern District Council do accept credit card payments in respect of Council Tax and Business Rates and so the services are currently working with two different policies.

- 3.4 Feedback from customers via Customer Services has indicated that customers require the facility to pay by credit card. Customer Services regularly receive complaints about this option not being available and explain the reasons that Members originally made this decision. This request has increased since the removal of credit card charges. Feedback from customers indicates that many people use credit cards to manage their finances on a daily basis and this does not necessarily mean that they are in financial difficulty or increasing debt.
- 3.5 Following this year's annual billing we received a formal complaint from a customer challenging our policy not to accept credit card payments. The customer felt that this policy meant that we were not completely 'financially accessible' and that the policy was out dated. This complaint has been through all 3 stages of our Complaint Procedure and in the stage 3 response the Chief Executive advised that we would ask Members to reconsider the policy. The customer has advised that he intends to challenge this further with the Ombudsman and his local MP.
- 3.6 As we are shortly to embark on the delivery of the Customer Experience Programme which requires significant channel shift to deliver the benefits identified a decision to accept credit card payments would support the principles of this programme and facilitate self service and on line payments.

4. Consultation

4.1. Not applicable

5. Options

- 5.1 The Council has the option to revise the policy and accept credit card payments or to continue with the current policy.

6. Corporate Implications

- 6.1 Financial – The financial implications are difficult to quantify. There would be a cost for the acceptance of credit cards which exceeds the cost of accepting debit card payments:

Merchant ID 14711493 (Touchtone)	
MASTERCARD DEBIT	0.402%
MASTERCARD CREDIT	1.789%
VISA DEBIT INCL ELECTRON	0.392%

Merchant ID 83836482 (online)	
MASTERCARD DEBIT	0.384%
MASTERCARD CREDIT	1.419%
VISA DEBIT INCL ELECTRON	0.374%

6.2 In 2017/18 SBDC took 16,000 card payments for Revenues, at a card charge cost of approximately £16,000. The payment profile for CDC is approximately 75% debit card payments and 25% credit card payments. If this same profile applied to SBDC then the cost of taking Revenues payments would increase to approximately £28,000. However enabling the facility to accept credit card payments could result in increased collection.

6.3 Legal – There are no legal implications.

6.4 ICT – There are no ICT implications as we already have the technology to enable us to accept credit cards

6.5 HR – There are no HR implications.

7. Links to Council Policy Objectives

7.1 This decision supports the Council's objective to deliver cost effective customer focussed services by responding to feedback from customers to provide an accessible service and facilitating the collection of revenue for the Council.

8. Next Step

8.1 The Revenues Service will make the necessary arrangements to begin to accept credit card payments

Background Papers:	None
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