

CUSTOMER SERVICES AND BUSINESS SUPPORT POLICY ADVISORY GROUP

Meeting - 18 June 2018

Present: D Smith (Chairman)
M Bezzant, T Egleton and D Saunders

Apologies for absence: R Reed

13. MINUTES

The minutes of the Customer Services and Business Support PAG held on 5 March 2018 were approved.

14. DECLARATIONS OF INTEREST

There were no declarations of interest.

15. UPDATE ON REVENUES RECOVERY PROJECT AND AUTHORISATION OF DEBTS WRITTEN OFF

The Head of Customer Services updated Members on the progress of the project to recover arrears of Council Tax, Business Rates and Housing Benefit overpayments. When the business case for the Joint Service was submitted in November 2015 the estimated income to be achieved was £98,096. The project commenced in August 2016 and was planned to last two years. At the final stages of the project the total net income is £140,000 and the expected income figure has been exceeded by over 42%. However, in some circumstances the only option available to the Council is to write the debt off as the companies in question no-longer exist and the debtors cannot be traced. Members were asked to write off 19 non domestic rates debts that have a balance outstanding of over £10,000 each as set out in the confidential appendix.

Following questions, Members were reassured that once the service came back in-house in November 2018 that any concerns about debts would continue to be monitored. Members were informed that these debts could not be sold to a third party. After a liability order had been granted the Council can instruct their Enforcement Agents to collect the debt. Members commented that often public houses got into financial difficulties because of the nature of their business.

Having considered the advice of the PAG, the Portfolio Holder **AGREED** to **RECOMMEND** to Cabinet that:-

- the progress of the South Bucks District Council Recovery Project be noted
- the write off of specified non domestic rates debts with values over £10,000 be authorised, where all previous recovery attempts have failed and there are no further routes of recovery as set out in the confidential appendix.

16. CREDIT CARD PAYMENTS FOR COUNCIL TAX AND BUSINESS RATES

The Head of Customer Services asked Members to consider revising the current policy not to accept credit card payments in respect of Council Tax and Business Rates. Historically this Council have had a policy not to accept credit cards and in addition it previously attracted an additional charge. However, Chiltern District Council did accept credit card payments and so both services were currently working

Customer Services and Business Support Policy Advisory Group- 18 June 2018

with two different policies. Feedback from customers had indicated that customers require the facility to pay by credit card and regularly receive complaints about this option not being available. This request has increased since the removal of credit card charges. Feedback from customers indicated that many people use credit cards to manage their finances on a daily basis and this did not necessarily mean that they were in financial difficulty or increasing debt. The new Customer Experience Strategy was looking at channel shift in the way customers interacted with the Council, which included on-line facilities.

The financial implications were difficult to quantify and there would be a cost for the acceptance of credit cards which exceeded the cost of accepting debit card payments. 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.

Members referred to an Audit Committee report where Members had agreed to restrict the use of the credit card and to encourage residents to use direct debit. Reference was made to the Merchant rate for mastercard credit (touchtone) of 1.789%. Members questioned whether the increased collection rate would offset the cost of credit cards.

Members noted that with credit cards the collection costs would be higher but could result in increased collection. They agreed that this option should be made available but that direct debit should be advertised as the preferred method. The Head of Customer Services reported that as part of the Customer Experience Strategy self-service was being promoted and also referred to the previous complaints received by residents regarding use of credit cards. Members agreed that residents should be encouraged to pay by direct debit but also can pay electronically.

Having considered the advice of the PAG, the Portfolio Holder **AGREED** to **RECOMMEND** to Cabinet that credit card payments be accepted in respect of Council Tax and Business Rates

17. APPLICATION FOR DISCRETIONARY RATE RELIEF

Members were asked to consider an application for Discretionary Rate Relief. The organisation run two properties and applications have now been received for Discretionary Rate Relief to be awarded under S47 and S49 of the Local Government Finance Act 1989 in respect of both premises to cover backdated rates and ongoing liabilities whilst other avenues are explored to reduce ongoing liabilities further. As a Community Interest Company the Company does not automatically qualify for Mandatory Rate Relief which would have reduced the bills by 80%. However, they are applying to become a registered charity. In addition, as there are two properties it would fall outside the criteria for qualification for Small Business Rate Relief. However, they are now looking to separate as stand alone organisations to qualify for this in the future. The Company provided a valuable service to the community.

Members referred to the accounts of the organisation and questioned whether currently this was more of a commercial venture rather than a charity, particularly as they had a viable ongoing financial forecast. The Head of Customer Services commented that it operated on a not for profit basis and that any charitable or non-profit organisation was eligible to apply for discretionary rate relief. One Member expressed concern that allowing discretionary rate relief to this organisation would give them an advantage over competitors and that they needed to be equitable. However, this could be reviewed once they had obtained charitable status.

Having considered the advice of the PAG, the Portfolio Holder **AGREED** to **RECOMMEND** to Cabinet that 50% of the Discretionary Rate Relief be awarded.

18. **APPLICATION FOR DISCRETIONARY RATE RELIEF (2)**

Members were asked to consider an application for Discretionary Rate Relief on hardship grounds. Section 49 of the Local Government Finance Act 1988 gives the Council the power to reduce or remit the payment of non-domestic rates by granting hardship relief. The principal purpose is to provide assistance to businesses that are suffering hardship arising from circumstances beyond the businesses control. When granting rate relief on the grounds of hardship consideration was given to whether the ratepayer would sustain hardship if the Council failed to grant relief and whether it was reasonable to grant relief having regard to the interest of persons subject to the Council Tax.

The organisation commenced trading in December 2016 and in its first year of trading incurred many initial overheads and costs and the application was for full remission of rates for the 2017/18 financial year. The owner commented that if assistance was not given then the company may have to be put into liquidation.

Members commented that all businesses needed to make provision for their first year of operation and overheads and therefore considered that it was not reasonable to grant hardship relief in this instance.

Having considered the advice of the PAG, the Portfolio Holder **AGREED** to **RECOMMEND** to Cabinet that relief should not be awarded for this organisation in this instance.

The meeting terminated at 7.00 pm

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