

Dear Members

Cabinet

A meeting of the Cabinet will be held on **Thursday 29 May 2025** at **6.30pm** in the **Craddock Room, Civic Centre, Riverside, Stafford** to deal with the business as set out on the agenda.

Please note that this meeting will be recorded.

Members are reminded that contact officers are shown at the top of each report and members are welcome to raise questions etc in advance of the meeting with the appropriate officer.



Head of Law and Governance

CABINET - 29 MAY 2025

Chair - Councillor A T A Godfrey

AGENDA

- 1 Minutes of 15 May 2025 as circulated and published on 16 May 2025
- 2 Apologies
- 3 Councillors' Question Time (if any)
- 4 Proposals of the Cabinet Members (as follows):-

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(a) RESOURCES PORTFOLIO

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| (i) | Revenues and Benefits Collection Report -
Quarter 4 PART CONFIDENTIAL | 3 - 12 |
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Report contains information relating to an individual, which is likely to reveal the identity of an individual and information relating to the financial or business affairs of any particular person (including the Council).

Membership

Chair - Councillor A T A Godfrey

A T A Godfrey	- Leader
R Kenney	- Deputy Leader (Town Centres Regeneration Portfolio)
R P Cooke	- Resources Portfolio
I D Fordham	- Environment Portfolio
J Hood	- Community Portfolio
G P K Pardesi	- Leisure Portfolio
A N Pearce	- Climate Action and Nature Recovery Portfolio
A F Reid	- Economic Development and Planning Portfolio

Agenda Item 4(a)i**Revenues and Benefits Collection Report - Quarter 4**

Committee:	Cabinet
Date of Meeting:	29 May 2025
Report of:	Deputy Chief Executive - Resources
Portfolio:	Resources Portfolio

1 Purpose of Report

- 1.1 To inform Cabinet of the performance of the Revenues and Benefits Service as regards:
- The collection of Council Tax during the 2024-2025 financial year.
 - The collection of Business Rates during the 2024-2025 financial year.
 - The recovery of overpaid Housing Benefit during the 2024-2025 financial year.
- 1.2 To seek approval to the write off of the arrears listed in the **CONFIDENTIAL APPENDICES**.

2 Reason(s) for Report being 'Not for Publication'

- 2.1 In accordance with the provisions of Schedule 12A of the Local Government Act 1972 (as amended), the report is considered 'not for publication' under the following categories of exemption:
- Exempt Paragraph 1 - Information relating to any individual.
 - Exempt Paragraph 2 - Information which is likely to reveal the identity of an individual.
 - Exempt Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the Council).

3 Recommendations

- 3.1 That the information regarding collections be noted.
- 3.2 That the arrears listed in the **CONFIDENTIAL APPENDICES** be written off.

Reasons for Recommendations

- 3.1 Efficient collection of the Council's revenues is of major importance to the funding of Council services and those provided by our preceptors.
- 3.2 Whilst our collection rates are traditionally good, regrettably not all of the monies owed to the Council can be collected and this report contains a recommendation to write off bad debts which cannot be recovered.

4 Key Issues

- 4.1 Council Tax due for the 2024/2025 year amounts to £105.3M of which some **97.8%** was collected by the 31 March.
- 4.2 Business Rates due for the current year amounts to £55.9M of which some **98.6%** was collected by the 31 March.

5 Relationship to Corporate Priorities

- 5.1 Not Applicable

6 Report Detail

Council Tax

- 6.1 Council Tax is collected on behalf of the Borough Council, Parish Councils and our Major Preceptors (Staffordshire County Council and Commissioner for Police, Crime, Fire and Rescue). The effect of the Collection fund arrangements means that Stafford Borough Council retains around 10% of the council tax collected.
- 6.2 Council Tax due for the current year amounted to £105.3M and we have collected 97.8% of this within the financial year. This is the best rate of collection since the Covid19 pandemic. The 2019/20 collection rate was 98.4% and whilst this may be difficult to achieve in the current economic climate, it continues to be our long term aim.
- 6.3 The team will be increasing our efforts to collect older council tax debts due to the Council and this may impact some residents' ability to pay current charges.
- 6.4 In accordance with the Council's approved policies, all reasonable and lawful attempts are made to recover all amounts due. In the first instance this involves the issue of bills, reminders and final notices, followed by Summonses in the Magistrates Court where the warning notices are not effective. At all stages of this process, debtors are encouraged to engage in voluntary arrangements to repay their arrears, to prevent the need for formal action.

Where necessary and when Liability Orders are granted by Magistrates, the Council uses its powers to make deductions from earnings and benefits of debtors, where it can, and instructs Enforcement Agents where such deductions are not possible or appropriate.

In the most severe cases and for debts exceeding £5,000, the Council will consider personal bankruptcy action against individuals.

- 6.5 The recovery powers available to the Council are considerable but not completely infallible. There are occasions when bills are not paid and the debts cannot be recovered.
- 6.6 Statutory safeguards such as Debt Relief Orders, Individual's Voluntary Arrangements exist to protect debtors suffering hardship, to attempt to the expensive, stressful and sometimes ineffective process of personal bankruptcy. Where a debt is included in such an instrument, or when a debtor is bankrupt, our ordinary recovery powers cannot be used.
- 6.7 For any of our powers to be effective we need to know the whereabouts of a debtor, and this is not always the case. Where debtors abscond, we will use all reasonable endeavours to trace them and are often successful in doing so. Unfortunately, on occasions this is not so and we must submit a debt for write off.

Our trace procedures include:

- Checking our internal Council systems and following any information which may help us to trace the debtor.
- Use of credit reference agency data.
- Trace and collect facilities offered by our Enforcement Agencies
- Visits to the last known address by the Council's Property Inspector and use of external tracing agents.

Unfortunately, legislation does not currently permit access to DWP or HMRC records to trace Council Tax debtors or their employers, though a Cabinet Office project is currently reviewing this.

Data protection legislation allows us to receive information as to a debtor's whereabouts, but we cannot disclose information to other creditors. Reciprocal arrangements with utility companies and similar are not therefore workable.

Business Rates

- 6.8 Business Rates due for the current year amounts to £55.9M of which some **98.6%** was collected by the 31st March. This is a significant increase on last year's 97.9% and the best rate of collection that we have recorded.
- 6.9 Repeating this performance in the coming year will be challenging as many retail, hospitality and leisure establishments are facing increased bills as the government relief to these premises has reduced from 75% last year to 40% this

year. The team will also be increasing our efforts to recover older debts, which may impact on some businesses' ability to pay their current charges.

- 6.10 The recovery powers available to us are again contained in the Council's approved policies and are used in full. Those powers and our procedures are similar to the council tax powers described above, with the exception that deductions from individuals' benefits and earnings are not permissible, even if the debtor is an individual.
- 6.11 Where rates are owed by an individual, similar safeguards exist for the debtors and trace facilities are used by the Council for absconding debtors, as described above.
- 6.12 Additionally, in the case of business rates, as has been reported to Cabinet previously, our collection efforts are sometimes frustrated by weaknesses in legislation. Rates are due from the occupiers rather than the owners of property and where the occupier is a company, we can only recover from that company. Some proprietors will strip a company of its assets, or dissolve the company before we have had an opportunity to implement our recovery procedures. A new company is then formed in a similar style, to trade from the same premises.

Central Government has previously undertaken to review the loopholes that exist in rating and company legislation, though no changes have yet been received. Officers continue to actively monitor these issues.

- 6.13 4 irrecoverable business rate debts in the sum of £214,224.38 are listed in the **CONFIDENTIAL APPENDIX** to this report.

Housing Benefit Overpayments

- 6.14 The Council manages the Housing Benefit scheme on behalf of the Department for Work and Pensions, who fund the cost of benefits paid to claimants.
- 6.15 Sometimes a claimant will be paid too much Housing Benefit, for example when the Council does not become aware of a change of circumstances until after the claimant has been paid the benefit. This is called an Overpayment of Housing Benefit. The Council is expected to recover these overpayments from the claimant in all but a few limited circumstances. DWP will fund only 40% of benefit which is overpaid as a result of claimant error or fraud.
- 6.16 Where an overpayment occurs as a result of a local authority error, DWP will provide 100% funding provided our error rate remains below a threshold of 0.48% of benefit paid, as it has routinely done for many years.
- 6.17 Recovery of overpaid Housing Benefit continues to progress well, with some £397K being collected in the financial year. This income is received into the General Fund, in addition to the Government subsidy and is not shared with preceptors.

7 Implications

7.1 Financial

Council Tax write offs are losses to the Collection Fund and, as such, form part of the cost of collection incurred by this Council. There are no Council Tax write offs on this report.

The amounts being recommended are well below the value of the bad debt provision, which the Council includes within its accounts in expectation that some amounts owed will not be paid and cannot be recovered.

The cost of collecting the debts has been considered as part of the decision to put them forward for write off. If further information does come forward about the whereabouts of any of the individual debtors the Council will pursue recovery action.

Cabinet are asked to write off the debts as they are considered to be irrecoverable for the reasons given in the appendices. The debts remain legally due to the Council and should the circumstances causing the write off in any particular case, subsequently change, recovery action may be recommenced.

7.2 Legal

Cabinet are asked to write off the debts as they are considered to be irrecoverable for the reasons given in the appendices. The debts remain legally due to the Council and should the circumstances causing the write off in any particular case, subsequently change, recovery action may be recommenced.

7.3 Human Resources

None

7.4 Risk Management

None

7.5 Equalities and Diversity

None

7.6 Health

None

7.7 Climate Change

None

8 Appendices

Appendix 1: Business Rates to be considered for Write Off (Confidential)

9 Previous Consideration

None

10 Background Papers

None

Contact Officer:	Rob Wolfe
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Ward Interest:	None
Report Track:	Cabinet 29 May 2025 (Only)
Key Decision:	No