

## SENIOR LEADERSHIP TEAM REPORT

**Report Title: Liability Order application hearings at Havering Town Hall**

### **Purpose of report:**

This report seeks approval to conduct liability order application hearings at Romford Town Hall with non-payers of Council Tax and Business Rates (NNDR) via video link to the Magistrates Court.

### **Introduction**

Council Tax and NNDR services will always attempt to engage liable parties who fail to pay their Council Tax or NNDR instalments. For those who will not engage and won't pay, more assertive action is taken following reminder and final notices in the form of a summons to attend Court.

At Court, Council Tax and NNDR services will ask for a liability order which allows them to recover the debt by attachment of earnings, deduction from benefits, enforcement agents, charging orders and insolvency. Approximately 10,600 liability orders were granted by Barkingside Magistrates Court during 2019/20.

Since April 2020, due to the unprecedented circumstances of Covid19, recovery action was suspended and no summonses have been issued by Council Tax and NNDR services. The Council lifted this restriction in September 2020 and services are now able to pursue collection of debt in earnest.

Council Tax income has declined by more than £2.2 million the detail of which can be seen in Appendix A. It is therefore imperative to recommence recovery through court action as quickly as possible.

Note also Havering's performance compared to London Authorities in Appendix B. While Havering started the year in fourth position, by July it had dropped to 14<sup>th</sup> place.

Her Majesty's Court and Tribunal Service (HMCTS) have advised they are not in a position to prioritise Council Tax and NNDR liability order hearings in Magistrate Courts until sometime next year. However, HMCTS are willing to work with authorities to conduct hearings in Council buildings by the end of this year by video link to the Magistrates Court.

Since HMCTS made the decision to allow virtual liability order hearings, 21 out of 33 London boroughs have expressed an interest in conducting virtual hearings in their council premises.

## **Virtual Hearings in Council Premises by Video link**

Council Tax and NNDR services are keen to commence recovery and court action. The Town Hall offices have been explored and the ground floor training suite has been identified as the best location for holding liability order applications with the Court and debtors. Hearings will take place once a set day each month.

The training suite will be Covid 19 compliant as per Government guidelines. Social distancing measures can be followed comfortably by staff and members of the public that attend for the hearing. PPE including masks, face shields, gloves, wipes and hand sanitisers will be provided to all members of staff and 2 metre distancing will be maintained at all times. Masks will be available for members of the public who attend without a face covering.

Guidance will be sent with the summonses, reminding the individual that should they or anyone in their household test positive or show symptoms of Covid 19 or any illness then they should not attend the Town Hall. Instead, the individual can contact Council Tax or NNDR by telephone to discuss or adjourn their case.

Staff guidance has also been prepared and advise on what do to if anyone in their household show symptoms or has tested positive for Covid 19, PPE to be worn and hygiene requirements. Staff are already aware and have guidance for how to manage individuals in a court environment.

Individual Covid 19 risk assessments have been conducted with all staff in both service areas. Service risk assessments have been also been carried out.

The training suite will be opened up into two rooms and will include the kitchen. One room will be used to see taxpayers and answer any queries they have relating to their Council Tax. The second room will be used where the individual and the Court Officers for Council Tax and NNDR can have a virtual hearing with the Magistrate. Social distancing will be maintained at all times during the virtual hearing with the Court Officers and tax payer with appropriate PPE.

Plain clothed security will be arranged for the first court and reviewed for future Courts as to the necessity of their presence.

Manchester and Nottingham Councils have held hearings summoning 3,000 people to each hearing. Six people attended the council building at Nottingham while no appearances were made at Nottingham.

The Unions will be engaged through this process.

## **Conclusion**

Barkingside Magistrates court cannot accommodate liability order hearings due to social distancing and prioritising other matters. It may be some time before the Courts are ready to hear liability applications in court. To improve cash flow, virtual hearings at the Town Hall would seem the best option for the Council at this time.

**Recommendations:**

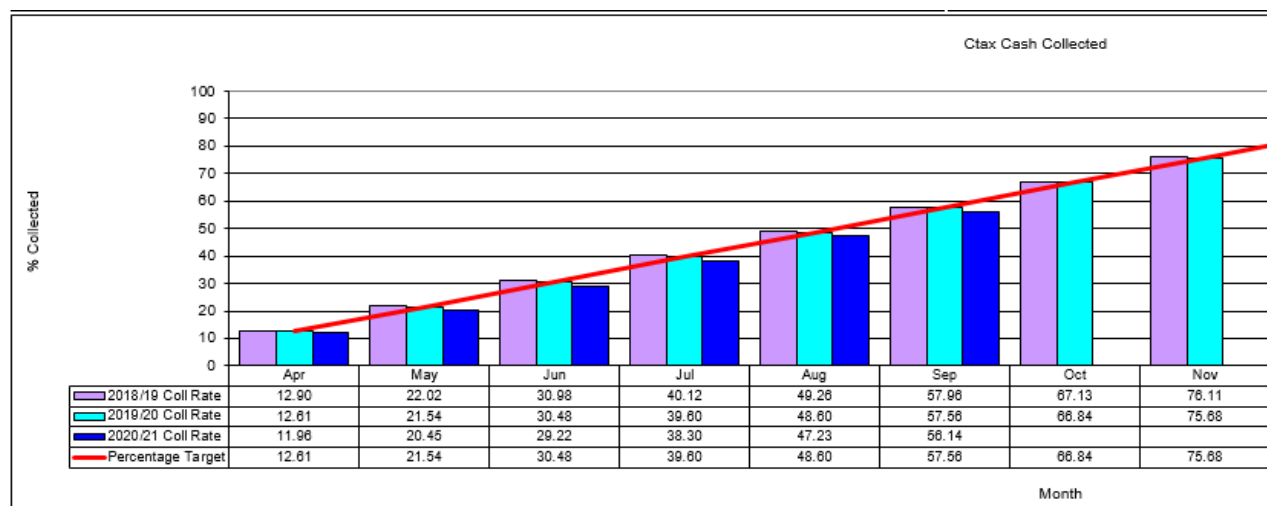
1. Senior Leadership Team give approval for multiple liability order applications to be heard at Havering Town Hall for Council Tax and NNDR debts.

**Report Author:****Contact No:**

Has this report been agreed elsewhere (ie the relevant Programme Board and SLT member)?	Y
Has the report author discussed any financial consequences with the relevant Finance Business Partner?	N
Which Finance Business Partner or Lead has cleared this?	N
Has the report author discussed any HR consequences with the relevant Human Resource Business Partner?	Y
Which HR Business Partner or Lead has cleared this?	Geraldine Minchin
If the subject of this report needs an Equality Analysis, has one been carried out? If so, are any relevant issues covered in the report?	N/A
If agreed by SLT, will the report be the subject of Cabinet, Lead Member or Officer decision?	N
Is the report time critical and if so why?	N

## Appendix A

### Council Tax Performance 20/21 compared to 2019/20 & 2018/19



### Council Tax Debit and cash received compared to 2019/20 and 2018/19.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
2018/19 Coll Rate	12.90	22.02	30.98	40.12	49.26	57.96	67.13	76.11
2019/20 Coll Rate	12.61	21.54	30.48	39.60	48.60	57.56	66.84	75.68
2020/21 Net Debit	£161,160,165.09	£161,075,400.38	£161,220,640.55	£160,076,680	£160,066,497	£160,286,028		
2020/21 Cash Rec'd	£19,270,610.46	£32,934,294.42	£47,112,693.54	£61,308,750	£75,606,468	£89,992,321		
2020/21 Coll Rate	11.96	20.45	29.22	38.30	47.23	56.14		
Cash Target	0	34695641.24	49140051.24	63390365.21	77792317.34	92260637.7	0	0
Percentage Target	12.61	21.54	30.48	39.60	48.60	57.56	66.84	75.68
2019/20 Net Debit	154,968,717.81	155,087,250.38	£154,987,648.48	155,036,474.00	155,063,166.00	155,110,656.65	154,949,185.36	154,983,953.07
2019/20 Cash Rec'd	19,538,898.97	33,402,770.41	47,235,562.02	£61,394,438.61	75,357,780.00	89,289,189.55	103,573,926.39	117,291,657.10
2018/19 Net Debit	146,401,364.70	146,374,998.16	146,453,301.99	146,542,024.33	146,533,135.28	146,995,940.37	147,042,104.08	147,153,842.34
2018/2019 Cash Rec'd	18,879,388.23	32,225,291.47	45,369,077.72	58,799,243.66	72,208,637.19	85,198,935.33	98,713,323.45	112,001,982.23

## Appendix B

### Council Tax Performance – London wide comparison

Authority (I = Inner)	April	May	June	July	August
Barking	10.60	18.80	27.60	36.00	44.70
Barnet	10.47	18.74	27.26		
Bexley	10.25	19.07	28.25	37.24	46.31
Brent	11.40	19.40	28.06	38.60	44.86
Bromley	11.10	19.75	28.68	37.98	46.94
Camden (I)	12.36	18.88	27.54	34.22	
City of London	6.00	16.60	25.20	33.40	40.50
Croydon	10.07	18.40	26.79	35.33	
Ealing	11.82	20.92	29.82	38.15	46.70
Enfield	10.74	19.50	28.47	37.30	45.80
Greenwich (I)	10.97	18.45	26.32	34.44	42.16
Hackney (I)	9.73	16.28	23.98	31.29	39.18
Hammersmith (I)	12.02	19.77			
Haringey	11.40	20.33	29.34	37.83	46.30
Harrow	11.91	20.70	29.48	38.07	
Havering	6 <sup>th</sup> 11.96	11 <sup>th</sup> 20.45	14 <sup>th</sup> 29.22	14 <sup>th</sup> 38.03	4 <sup>th</sup> 47.23**
Hillingdon	11.16	19.78	28.55		
Hounslow	11.33	19.84	30.38	38.35	
Islington (I)	9.53	17.12	24.90	32.70	
Kensington (I)	17.16	24.78	32.00		
Kingston	11.17	20.20	29.92	39.21	48.2
Lambeth (I)	11.22	19.68	28.45	37.02	
Lewisham (I)	10.05	17.60	25.75	34.18	
Merton	11.51	20.53	29.80	38.99	47.76
Newham	11.25	18.68	26.19		
Redbridge	11.43	20.53	29.37	38.11	46.70
Richmond	11.10	20.11	29.08	38.06	47.28
Southwark (I)	10.55	18.37	26.18	34.35	42.98
Sutton	10.60	19.40	28.42	37.62	
Tower Hamlets (I)	10.1	16.73	24.57	32.05	
Waltham Forest	11.34	19.37	28.17		
Wandsworth (I)	13.02	21.29	29.79	38.83	47.19
Westminster (I)	17.85	26.40	35.26	43.29	

\*\* All of London hasn't reported yet so placement for Havering is likely to fall.

