

**Somerset Council MTFP 2024/25 - 2028/29**  
**Savings Proposal**



Title of savings proposal	Council Tax & Business Rate Court Costs
Reference Number	RCS017

Executive Directorate	Resources
Service Directorate	Finance & Procurement
Service	Revenues & Benefits

Lead member	Cllr Liz Leyshon - Resources and Performance
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Cost centre name	
Cost centre code	

**Overview of proposal**

**Description of savings proposal (alt+return for new line)**

Council Tax and Business Rates legislation allows us to apply to the Magistrates Court for court costs to cover our costs in making applications for Liability Orders in instance where people have not paid as required. Our actual costs will increase next year due to a variety of factors and consequently it is reasonable for us look to increase the costs figure. The current figures is £76.00 and we are recommending an increase to £81.00, which equates to a 6.6% increase, which is in line with inflation.

**What will the saving achieve? (alt+return for new line)**

This increase could generate £100k of additional income to the General Fund, based on current volumes (which may be subject to fluctuation). (NB. It is likely that we will also need to uplift the costs for 2025/26 to reflect inflation, but obviously it is too early to predict the actual amount).

Type of saving	Fees and Charges
Which of the 17 key areas does the saving cover?	Business Rates & Council Tax
Is this saving once-off or ongoing?	Ongoing
Does this impact on either the Council's priorities or another service?	No
Are there any policy change requirements? If yes, please provide further information below.	No

**Benefits of the proposal**

Tangible Benefits - savings/income £ (pro-rata for part year)	Intangible benefits (e.g. cost avoidance)
2023/24 (in-year)	0
2024/25	100000
2025/26	0

**Delivering the proposal**

Describe the high level milestones for delivery, including timescales and target delivery date for the saving.

Agreement by Members through the fees & charges setting process.  
The new level of costs will be implemented from 1 Apr 2024 onwards.

Who are the key people/services involved/required (internal and external).
Revenues & Benefits
What activity is needed to achieve the saving?
Agreement by Members of the new level of costs.
What are the financial resources required?
Accountancy support to confirm that calculation of the cost figure.
Are there any limitations or constraints?
None. Although we must be mindful that we must not set out to make a 'profit' via the level of our court costs. They should represent the costs leading to summons issue.
What is the anticipated impact on service delivery to residents or business?
This increase will be borne by any residents or businesses against whom we need to apply for a liability order, which will potentially make it more difficult for them to repay the debt. However, not applying for costs would mean that the burden of funding the recovery action we need to take would fall upon Council Tax payers generally, the vast majority of whom do pay on time. This is clearly unfair. In cases where it is not in the public interest for us to pursue the costs, we retain the power within our Income and Arrears Management Policy to waive costs in individual cases.

Please note that an equalities impact assessment is required for all proposals.

Other implications	
Impact	Number or description
Staffing impact (#s)	None
Redundancy or vacancy?	
Legal impact	We may need to provide a detailed breakdown to the court of the calculation of the costs amount.
Insurance or other impact	None
Equalities impact	A full EIA will be completed to accompany this proposal. Costs are initially applied for with all Liability Order applications. However, we retain the discretion within our Income and Arrears Management Policy to waive costs in individual cases and particularly where we identify vulnerability.

Please ensure that you have consulted HR and your Finance Business Partner regarding any staffing savings.

Risks	
What is the risk status of the proposal?	Low
What are the risks associated with this proposal?	Potentially the level of costs applied for can be challenged by defendants or the court and there are recent instances of this happening in other councils.
Are there mitigations or actions that if implemented can reduce those risks?	Ensuring that we can evidence in detail how the costs amount is made up and that the costs are reasonable helps to mitigate the risk of any successful challenge.

Please send your completed form to your Finance Business Partner for sign-off and submission of request.