

# **WEST DUNBARTONSHIRE COUNCIL**

## **Report by the Chief Executive**

**Corporate Services Committee: 28 March 2007**

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### **Subject: Recovery of Arrears**

#### **1. Purpose**

- 1.1** The purpose of this report is to update Committee on the recovery of arrears in respect of residual Community Charge (Poll Tax).

#### **2. Background**

- 2.1** In January 2007 the Corporate Services Committee requested that a report be brought forward regarding (Minute Reference Page 2970):-

- a) Revised options for the referral of arrears to Sheriff Officers
- b) The review of existing cases passed to Sheriff Officers, and
- c) The number and values of people in arrears.

- 2.2** The Committee also asked that in the meantime, no further cases of poll tax arrears be referred to the Sheriff Officer.

#### **3. Main Issues**

- 3.1** Poll tax was in place from 1 April 1989 until 31 March 1993. When West Dunbartonshire Council assumed the responsibility for these debts on 1 April 1996, all outstanding arrears cases had already been passed to the Sheriff Officer for collection. As the community charge register is closed for new entries, there can be no further poll tax liabilities created. The Council has a fiduciary duty to attempt to recover all sums due to the Council.

- 3.2** The value of arrears as at 1 April 1996 was £15,452,035. As at 28 February 2007, the balance outstanding was £11,189,203.

<b>Value of Arrears</b>	<b>No of Debtors</b>	<b>Total Value of Arrears</b>
£0 - £100	9,047	£392,410
£100 - £500	12,337	£3,242,530
£500 - £1,000	6,478	£4,676,182
Over £1,000	2,438	£2,878,081
<b>Total</b>	<b>30,300</b>	<b>£11,189,203</b>

**3.3** The arrangement in place with the Sheriff Officer is to continue with the recovery of outstanding monies in respect of poll tax and to attempt, on an ongoing basis, to trace debtors for whom no repayment arrangement is currently in place. As with all debts passed to the Sheriff Officer, an agreement is in place whereby if the Council or the Sheriff Officer identifies that a debtor is in receipt of state benefit, the case is referred back to the Council.

**3.4** An exercise commenced in December 2006 whereby the data held by the Sheriff Officer was refreshed so as to identify new contact addresses. In these circumstances an existing debtor may be identified at a new address. This does not constitute a new debt, although the same principle will apply whereby all debtors in receipt of state benefit would be referred back to the Council.

**3.5** An exercise will be undertaken with the Sheriff Officer to update the data held by them in respect of poll tax debtors so as to identify cases in receipt of state benefit including, where possible, the state retirement pension. All such cases will be returned to the Council. In addition, preliminary discussions have commenced with the Sheriff Officer regarding the production of an annual statement to all Poll Tax debtors.

#### **4. Personnel Issues**

**4.1** There are no personnel issues.

#### **5. Financial Implications**

**5.1** The Council has a fiduciary duty to collect all sums due to it. All sums collected in respect of Poll Tax are credited to the General Fund.

#### **6. Risk Analysis**

**6.1** The Council has a duty to collect all sums due to it. These debts are valid and will be pursued. The recovery of these arrears helps fund vital council services. In addition, many people have settled their liability in full and the Council could be open to criticism if it failed to take all reasonable steps to recover outstanding Poll Tax arrears from like type cases.

#### **7. Conclusions**

**7.1** As at 28 February 2007 the level of poll tax arrears was £11,189,203. An exercise will be conducted with the Sheriff Officer to analyse the debtors and return all benefit cases to the Council.

## **8. Recommendations**

- 8.1 The Committee is invited to note the level of poll tax arrears and agree to a review of the caseload currently lodged with the Sheriff Officer.**

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**David McMillan**  
**Chief Executive**  
**Date: 15 March 2007**

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**Appendix:** None

**Background Papers:** No background papers

**Wards Affected:** All Wards