SUBMISSION FROM EAST AYRSHIRE COUNCIL

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1. What is your view on the purpose of the Bill and broadly, are you supportive of it?

The purpose of the bill will formally remove a degree of complexity that Local Government currently have in terms of the collection of local taxation. While recovery levels appear low they can stretch on for a considerable period of time. This is resource intensive and can represent poor value for money in terms of the cost of collecting the arrears relative to the values being collected.

The broader issues that this Bill may ultimately require to be addressed are:

- **What about those who paid at the time ("do I get a refund?")**. We are already seeing this attitude and have been asked the direct question on several occasions. The equal opportunities paragraph in the Policy Memorandum states “effect is to place all persons who had a liability in the same position”. Arguably those who paid at the time are in a different position as they made good the liability themselves (i.e. paid the charge). It is a difficult argument to have with an individual who feels aggrieved that they have paid (and in some cases placed themselves in considerable financial hardship to do so), when others are now being “excused” of their obligations.

- **Impact on council tax collection rates?** Is there a risk that residents view this approach as being something which will be replicated in the future with Council Tax arrears. This is a particularly challenging area for Councils at the moment, and any reduction in collection rates has a direct consequence on revenue budgets and therefore service delivery. The risk of losing Council Tax income as a consequence of a misplaced public perception would be a concern.

- **Fresh debate of what was an unpopular tax for many people.** The introduction of this Bill has already ignited some public reaction and we have recently been challenged over the proposed approach at public meetings. As with the Community Charge itself, it is local Councils, at the frontline, who will require to deal with any adverse publicity this creates.

2. Do you have any views on the level of the financial settlement that is proposed in connection with the Bill?

While confident in our projections for the level of income we would anticipate recovering from existing payment plans, it is important to note that each year there are new payment arrangements put in place. Typically these would arise where, as a consequence of ongoing debt recovery work for Council Tax, historical, but as yet unprescribed, Community Charge debts are identified and rolled into a consolidated repayment plan. The financial settlement clearly does not take any account of these potential recoveries.
3. *Does the settlement figure accurately reflect the total community charge debt that would be recoverable by local authorities, given the operation of the law of prescription?*  
No, for the point stated at question 3 above. While future recoveries of currently “untouched” debt is possible, it is impossible to quantify this in monetary terms or even potential caseloads.

4. *The Scottish Government considers that, beyond the financial settlement that will be provided to affected local authorities, the Bill will have no financial implications (costs or savings) for the Scottish Administration, local authorities, other bodies, individuals or businesses. What is your view of this assessment?*  
As noted at question 2 above, there remains a risk that the approach being proposed may have an impact on ongoing Council Tax recovery levels. This has a direct impact on Council revenue streams, and while it will be difficult to quantify this impact, it will be important to ensure residents are clear that this approach will NOT be repeated for Council Tax.