



Committee and Date

Audit Committee

8 February 2011

10.00 am

Item No

4

Public

COUNCIL TAX AND NATIONAL NON DOMESTIC RATE PERFORMANCE MONITORING REPORT

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Summary

The Council's revenues team collects over £210 million of income each year in respect of Council Tax and National Non Domestic Rates (NNDR). The Benefits team are responsible for the recovery of Housing Benefit overpayments. This report provides Members with performance monitoring information on the collection of this income for the year to 26 January 2010.

Recommendations

Members are asked to note the report.

REPORT

1. The Council raises over 141,000 invoices per year with a value of over £210 million to collect Council Tax and NNDR. It is important that this income is collected promptly so as to maximise the amount of interest earned on the Council's revenue balances.
2. The Council require the payment of invoices by 10 instalments from April 2010 – January 2011. If individuals demonstrate hardship 12 monthly instalments are arranged.
3. The unitary council inherited a large amount of old debt which had not been fully investigated. Work is progressing on identifying that debt which can be secured and the debt which requires write-off. The process is extremely time intensive but recovery is being secured on much of what is outstanding.
4. The team is due to be restructured in April to divert more resources to this area of work so that work can be drawn to a conclusion more quickly.

5. During the year 2009/10, 93.8% of Council Tax and 89.8% of NNDR had been collected by 25 January 2010 the Council's aim was to collect 97.5% of in year debt by 31 March 2010. In 2009/10 the final collection stood at 97.1% and 96% respectively.
6. In the year 2010/11 to 24 January 2011 the Revenues Team had collected 94.9% of its Council Tax debt and 95.4% of its 2010/11 NNDR debt against the Council's target, which is to collect 98.5% of debt by 31 March 2011. We feel that this suggests that the target will be hit.
7. These collection rates compare well to those of the previous council's whose collection rates we aspire to, due to the recession the department have arranged for residents suffering hardship to pay their accounts into March 2011 which makes the collection rate of 98.5% possible.
8. At 31 March 2010 the total arrears for Council tax stood at £8.1 million, work is underway to recover this debt and it now stands at £5.1 million see Appendix A.
9. Arrears in the current year have been added to the £5.1 million carried forward and a report categorising the debt stages of all arrears is attached at Appendix B.
10. During the year £2,286 of Council Tax debt has been written off. There is a further £241,667 pending write-off.
11. At 31 March 2010 the total arrears for NNDR stood at £6.2 million, work is underway to recover this debt and it now stands at £3.9 million see Appendix C.
12. Arrears in the current year have been added to the £3.9 million carried forward and a report categorising the debt stages of all arrears is attached at Appendix D.
13. During the year £318,343 of NNDR debt has been written off. There is a further £453,898 pending write-off.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

N/A

Human Rights Act Appraisal

The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.

Environmental Appraisal

The targets seek to increase the number of income collections transacted electronically.

Risk Management Appraisal

Effective monitoring of outstanding debt will enable early action to be taken to minimise the risk of financial loss to the Council.

Community / Consultations Appraisal

N/A

Cabinet Member

Keith Barrow, Leader of the Council (Brian Williams, Chairman of Audit Committee)

Local Member

N/A

Appendices

- A. Council Tax Arrears Analysis at 27 January 2011
- B. Council Tax Aged Debt Analysis at 26 January 2011
- C. NDR Arrears Analysis at 27 January 2011
- D. NDR Aged Debt Analysis at 27 January 2011