



Committee and Date

Audit Committee

20 September 2011

10.00 am

Item No

6

Public

COUNCIL TAX AND NON DOMESTIC RATES PERFORMANCE MONITORING REPORT

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1. 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). This report provides Members with performance monitoring information on the collection of this income for the year to 31st August 2011.

2. Recommendations

Audit Committee Members are asked to note the report, with or without comment.

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 – January in accordance with the statutory instalment scheme for council tax and business rates payments. If individuals demonstrate hardship 12 monthly instalments are arranged. In addition direct debit payers are offered twelve instalments as an incentive for them to pay via this method.

3. During the year 2010/11, 48.3% of Council Tax and 51.0% of NNDR had been collected by 29th August 2010. The Council's aim is to collect 98.5% of in year debt by 31st March 2012.

4. In the year to 28th August 2011 the Revenues Team had collected 48.2% of its Council Tax debt and 48.1% of its NNDR debt against the Council's target.

5. 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 2012 which makes the collection rate of 98.5% possible.

6. As at 31 March 2011 the total arrears for council tax stood at 8.2 million. Work is continuing to recover this debt. As at 1 August 2011 council tax arrears stood at 6.9 million (a reduction of 1.3 million, see Appendix A)

7. Arrears in the current year have been added to the £6.9 million carried forward and a report categorising the debt stages of all arrears is attached at Appendix B.

8. As at 31 March 2011 the total arrears for business rates stood at £5.4 million. Work is continuing to recover this debt. As at 1 August 2011 business rates arrears stood at 4.9 million (a reduction of ½ million, see Appendix C)

9. Arrears in the current year have been added to the £5.4 million carried forward and a report categorising the debt stages of all arrears is attached at Appendix D.

3. Risk Assessment and Opportunities Appraisal

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

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

4. Financial Implications

Failure to collect these debts have a major impact on the council's ability to deliver services.

5. Background

Council Tax is collected and administered in accordance with The Council Tax (Administration and Enforcement) Regulations 1992. The Local Government Finance Act 1988 introduced business rates in 1990.

6. Additional Information

None

7. Conclusions

Members are asked to note the content of the report.

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

N/A

Cabinet Member (Portfolio Holder)

Gwilym Butler

Local Member

N/A

Appendices

Appendix A – Council Tax Arrears Analysis

Appendix B – Council Tax Aged Debt Analysis

Appendix C – NNDR Arrears Analysis

Appendix B – NNDR Aged Debt Analysis

Appendix A

COUNCIL TAX ARREARS ANALYSIS AS AT 1 AUGUST 2011					
As at rollover 31 Mar 2011		DR	CR	NET TOTAL	
	TOTALS	8,207,072.53	-1,489,266.68	6,717,805.85	
As at 1 August 2011		DR	CR		
	1993-94	2,396.05	-5,488.94	0.00	
	1994-95	2,184.97	-8,962.01	-6,777.04	
	1995-96	1,825.56	-12,276.37	-10,450.81	
	1996-97	4,919.43	-11,974.20	-7,054.77	
	1997-98	6,344.98	-10,934.19	-4,589.21	
	1998-99	10,467.43	-9,466.75	1,000.68	
	1999-00	12,734.23	-14,730.32	-1,996.09	
	2000-01	21,133.35	-11,365.16	9,768.19	
	2001-02	42,605.70	-21,869.91	20,735.79	
	2002-03	54,795.30	-26,524.53	28,270.77	
	2003-04	85,078.14	-31,528.04	53,550.10	
	2004-05	139,500.38	-42,814.03	96,686.35	
	2005-06	212,678.74	-65,132.44	147,546.30	
	2006-07	346,616.83	-69,265.24	277,351.59	
	2007-08	472,244.93	-70,520.43	401,724.50	
	2008-09	965,713.05	-133,608.31	832,104.74	
	2009-10	1,663,995.37	-282,982.81	1,381,012.56	
	2010-11	2,847,645.69	-383,123.22	2,464,522.47	
		6,892,880.13	-1,212,566.90	5,680,313.23	
Reduction in Arrears		1,314,192.40	-276,699.78	1,037,492.62	

Appendix B

Council Tax Aged Debt Analysis 1 August 2011		
	accounts	£ value
14 Day letter	2,931	£2,234,672.18
Admin Order		£0.00
Arrangement Agreed		£0.00
Arrest Warrant - Bail	90	£53,500.90
Arrest Warrant - No Bail	1	£1,062.99
Attachment of Benefits	1,065	£336,009.06
Attachment of Earnings	893	£568,045.29
Bailiff Return	650	£352,943.30
Bailiff Return Spa		£0.00
Bankruptcy		£0.00
Committal - Suspended Sentence	2	£756.59
Committal	8	£2,459.74
Committal Summons	4	£2,322.50
Dataload 14 Day		£0.00
Dataload Bailiff	1	£258.71
Dataload AOB	1	£0.00
Enforcement Hold	115	£100,012.20
Liability Order Granted		£0.00
Mutiple Liability Order	24	£11,867.67
No Enforcement Stage	1	£1,382.43
Pending Attachment of Benefits	595	£221,901.83
Pending Attachment of Earnings	128	£83,501.03
Pre Committal Letter	53	£37,107.04
Small Balance Letter	11	£282.24
Special Arrangement	3,007	£1,758,012.37
Special Arrangment Reminder	10	£6,261.99
Tracing Agent	1,016	£425,146.33
With Bailiff	3,516	£1,935,099.02
Write Off	192	£86,734.81
Write Off Pending	1,168	£398,130.94
Adjorned Committal	1	£57.38
Totals	15,483	£8,617,528.54

Appendix C

NNDR ARREARS ANALYSIS AS AT 1 AUGUST 2011					
As at rollover 31 Mar 2011		DR	CR		
TOTALS		5,381,163.65	-1,033,048.39	4,348,115.26	
		DR	CR		
As at 1 August 2011	1990-91	4,413.59	0.00	4,413.59	
	1991-92	2,003.68	0.00	2,003.68	
	1992-93	33.12	0.00	33.12	
	1993-94	1,454.60	0.00	1,454.60	
	1994-95	2,386.79	0.00	2,386.79	
	1995-96	31,833.30	-352.16	31,481.14	
	1996-97	54,530.14	-543.55	53,986.59	
	1997-98	18,302.14	-4,655.20	13,646.94	
	1998-99	23,586.16	-4,473.90	19,112.26	
	1999-00	96,493.09	-4,015.60	92,477.49	
	2000-01	6,719.29	-5,760.78	958.51	
	2001-02	13,658.09	-11,398.07	2,260.02	
	2002-03	11,682.58	-12,793.02	-1,110.44	
	2003-04	20,937.84	-10,375.95	10,561.89	
	2004-05	14,125.32	-11,862.22	2,263.10	
	2005-06	103,289.04	-18,391.20	84,897.84	
	2006-07	191,838.62	-17,765.86	174,072.76	
	2007-08	296,767.10	-18,135.18	278,631.92	
	2008-09	762,682.75	-73,001.42	689,681.33	
	2009-10	1,281,414.43	-444,000.01	837,414.42	
	2010-11	1,957,999.93	-127,716.78	1,830,283.15	
		4,896,151.60	-765,240.90	4,130,910.70	
Reduction in Arrears		485,012.05	-267,807.49	217,204.56	

Appendix D

NDR Aged Debt Analysis 1 August 2011		
	accounts	£ value
14 Day letter		0.00
7 Day Letter	367	1,166,637.07
Arrangement	2	0.00
Bailiff Return	208	395,732.38
Bailiff on hold		0.00
Bankruptcy		0.00
Committal Summons	3	3,534.41
Enforcement Hold	36	94,003.37
Liquidation		0.00
Multiple Liability Order	3	5,614.09
No Enforcement Stage	2	0.00
Pre Committal Letter	4	19,931.59
Spa Reminder	17	75,856.91
Special Arrangement	224	841,790.68
Tracing Agent	69	180,195.02
Warrant with bailiff	1	988.00
With Bailiff	324	773,175.75
Write Off	241	550,370.39
Totals		4,107,829.66