



Committee and Date

Audit Committee

19 September 2012

2pm

Item

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 2012.

2. Recommendations

Members are asked to consider and endorse with appropriate comment the contents of this 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 – 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 2011/12, 48.2% of Council Tax and 48.1% of NNDR had been collected by 28th August 2011. The Council's aim is to collect 98.5% of in year debt by 31st March 2013.

4. In the year to 25th August 2012 the Revenues Team had collected 48.6% of its Council Tax debt and 46.0% 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 2013 which makes the collection rate of 98.5% attainable.
6. As at 31 March 2012 the total arrears for council tax stood at £7.6 million. Work is continuing to recover this debt. As at 1 August 2012 council tax arrears stood at £6.1 million (a reduction of £1.5 million, see Appendix A).
7. A report categorising the debt stages of all council tax arrears is attached at Appendix B.
8. As at 31 March 2012 the total arrears for business rates stood at £3.8 million. Work is continuing to recover this debt. As at 1 August 2012 business rates arrears stood at £3.3 million (a reduction of £500,000, see Appendix C).
9. A report categorising the debt stages of all business rates 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, Keith Barrow (Leader of the Council) and Brian Williams (Chairman of Audit Committee)

Local Member

N/A

Appendices

Appendix A – Council Tax Arrears Analysis

Appendix B – Council Tax Aged Debt Analysis

Appendix C – NNDR Arrears Analysis

Appendix D – NNDR Aged Debt Analysis

Appendix A

COUNCIL TAX ARREARS ANALYSIS AS AT 1 August 2012				
As at rollover 1 April 2012	TOTALS	DR	CR	NET TOTAL
		7,658,811.57	-1,496,318.00	6,162,493.57
As at 1 August 2012		DR	CR	
1993-94		675.84	-5,488.94	-4,813.10
1994-95		561.04	-8,962.01	-8,400.97
1995-96		50.63	-12,276.37	-12,225.74
1996-97		2,318.16	-11,974.20	-9,656.04
1997-98		3,318.98	-10,934.19	-7,615.21
1998-99		5,712.40	-9,466.75	-3,754.35
1999-00		9,334.93	-14,730.32	-5,395.39
2000-01		11,100.81	-11,365.16	-264.35
2001-02		18,652.70	-21,738.41	-3,085.71
2002-03		29,321.14	-26,041.80	3,279.34
2003-04		54,784.58	-30,616.23	24,168.35
2004-05		91,140.24	-42,044.69	49,095.55
2005-06		142,008.10	-64,622.85	77,385.25
2006-07		230,536.51	-68,104.26	162,432.25
2007-08		299,349.42	-67,551.63	231,797.79
2008-09		557,910.28	-128,193.98	429,716.30
2009-10		889,862.31	-259,363.22	630,499.09
2010-11		1,333,360.16	-179,176.74	1,154,183.42
2011-12		2,459,769.47	-316,722.51	2,143,046.96
		6,139,767.70	-1,289,374.26	4,850,393.44
Reduction in Arrears		1,519,043.87	-206,943.74	1,312,100.13

Appendix B

Council Tax Aged Debt Analysis 1 August 2012		
	accounts	£ value
14 Day letter	451	£216,685.87
Adjourned Committal	1	£57.27
Potential Special Arrangement	2	£738.65
Arrest Warrant - Bail	81	£47,706.17
Charging Order	40	£42,872.55
Attachment of Benefits	1,031	£330,224.24
Attachment of Earnings	970	£574,400.14
Bailiff Return	519	£289,946.56
Bailiff Return Spa		
Bankruptcy		
Committal - Suspended Sentence	2	£756.59
Committal		
Committal Summons	3	£1,851.90
Datload 14 Day		
Datload Bailiff		
Datload AOB		
Enforcement Hold	170	£133,031.08
Liability Order Granted		
Mutiple Liability Order	20	£9,133.86
No Enforcement Stage		
Pending Attachment of Benefits	765	£295,454.78
Pending Attachment of Earnings	367	£298,114.89
Pre Committal Letter	618	£401,837.26
Small Balance Letter	456	£109,906.19
Special Arrangement	1,664	£892,597.70
Special Arrangement Reminder	165	£100,683.12
Tracing Agent	34	£31,208.64
With Bailiff	5,472	£3,286,074.83
Write Off	404	£29,113.92
Write Off Pending	737	£313,551.42
Totals		£7,405,947.63

Appendix C

NNDR ARREARS ANALYSIS AS AT 1 August 2012				
As at rollover 31 Mar 2012		DR	CR	
TOTALS		3,819,483.27	-1,157,626.12	2,661,857.15
As at 1 August 2012		DR	CR	
1990-91		0.00	0.00	0.00
1991-92		0.00	0.00	0.00
1992-93		0.00	0.00	0.00
1993-94		0.00	0.00	0.00
1994-95		0.00	0.00	0.00
1995-96		0.00	-352.16	-352.16
1996-97		277.15	-543.55	-266.40
1997-98		13,037.80	-4,451.78	8,586.02
1998-99		20,054.58	-4,473.90	15,580.68
1999-00		18,213.38	-4,015.55	14,197.83
2000-01		5,340.90	-5,760.49	-419.59
2001-02		11,317.08	-11,398.07	-80.99
2002-03		9,627.07	-12,779.53	-3,152.46
2003-04		19,169.31	-10,312.22	8,857.09
2004-05		7,674.95	-11,862.22	-4,187.27
2005-06		56,932.02	-18,261.87	38,670.15
2006-07		116,933.86	-17,758.39	99,175.47
2007-08		130,951.67	-18,135.18	112,816.49
2008-09		364,707.44	-73,001.42	291,706.02
2009-10		496,720.89	-378,991.08	117,729.81
2010-11		573,933.33	-108,534.94	465,398.39
2011-12		1,460,537.70	-184,899.71	1,275,637.99
		3,305,429.13	-865,532.06	2,439,897.07
Reduction in Arrears		514,054.14	-292,094.06	221,960.08

Appendix D

NNDR Aged Debt Analysis 1 August 2012		
	accounts	£ value
Small Balance	21	587.72
7 Day Letter	38	104,893.83
warrant no bail	1	1,053.50
Bailiff Return	223	447,920.11
Insolvency proceeding		
Bankruptcy		
Committal Summons	3	3,534.41
Enforcement Hold	31	254,817.82
Liquidation		
Multiple Liability Order	3	5,614.09
No Enforcement Stage	2	0.00
Pre Committal Letter	48	109,323.80
Spa Reminder	24	100,420.59
Special Arrangement	127	473,074.58
Tracing Agent	11	43,080.63
Warrant with bail	1	988.00
With Bailiff	377	1,090,989.99
Write Off	214	323,214.04
Totals		2,959,513.11