



Committee and Date
Audit Committee
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Item

Public

COUNCIL TAX AND NON DOMESTIC RATES PERFORMANCE MONITORING REPORT

Responsible Officer Phil Weir
e-mail: phil.weir@shropshire.gov.uk

Tel: (01743)
256113

Fax (01743)
251444

1. Summary

The Council's Revenues Team collects over £235 million of income each year in respect of Council Tax and National Non Domestic Rates (Business Rates). This report provides Members with performance monitoring information on the collection of this income for the year to 31 March 2015, and progress on the year to 31 March 2016.

2. Recommendations

Members are asked to note the report.

REPORT

1. The Council raises over 145,000 demands per year with a value of over £225 million to collect Council Tax and Business Rates. 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 liability by 10 instalments from April to January in accordance with the statutory instalment scheme for Council Tax and Business Rates. However, with effect from 1 April 2013 onwards the regulations have changed and now any Council Tax payer can request payment over 12 months rather than 10 months. With effect from 1 April 2014 any business rate payer can also request payment over 12 months rather than 10 months.
3. The change in regulations affects collection of Council Tax and Business Rates in two ways. Firstly, it affects the Council's cash flow, as more money is due to be collected in February and March. Secondly, it impacts on overall collection rates because if Council Tax and Business Rates payers fail to pay their February and March instalment it gives the

Revenues Teams less time to take appropriate action before the end of the financial year.

Council Tax

4. The final in-year collection rate for Council Tax for the year 2014-15 was 98.3%. This compares well with the previous year's collection rate of 98.1%.
5. National statistics to monitor collection rate trends for 2014-15 were published in July 2015. These showed that the average national in-year collection rate for Council Tax was 97% in 2014-15. The average collected for all Unitary Authorities was 96.8%. Shropshire Council achieved the sixth highest collection rate for Council Tax out of 56 Unitary Authorities.
6. A comparison of Shropshire Council's Council Tax collection performance for 2014-15 against national statistics is at Appendix A.
7. Regarding the 2015-16 financial year, in the year to 9 November 2015 the Revenues Team had collected 73.7% of its in-year Council Tax debt. In the equivalent period last year we had collected 73.6% Council Tax.
8. As at 31 March 2015 the total arrears for Council Tax stood at 8.6 million. Work is continuing to recover this debt. As at 1 November 2015 Council Tax arrears stood at 6.7 million (a reduction of £1.9 million, see Appendix B).
9. A report categorising the debt stages of all Council Tax arrears is attached at Appendix C.

Business Rates

10. The final in-year collection rate for Business Rates for the year 2014-15 was 98.7%. This compares well with the previous year's collection rate of 98.3%.
11. National statistics to monitor collection rate trends for 2014-15 were published in July 2015. These showed that the average national in-year collection rate for business rates was 98.1% in 2014-15. The average collected for all Unitary Authorities was 97.9%. Shropshire Council achieved the twelfth highest collection rate for Business Rates out of 56 Unitary Authorities.
12. A comparison of Shropshire Council's Business Rates collection performance for 2014-15 against national statistics is at Appendix A.
13. Regarding the 2015-16 financial year, in the year to 9 November 2015 the Revenues Team had collected 75.5% of its in-year Business Rates debt. In the equivalent period last year we had collected 73.1% Business Rates.

14. As at 31 March 2015 the total arrears for Business Rates stood at 3.4 million. Work is continuing to recover this debt. As at 1 November 2015 Business Rates arrears stood at 3 million (a decrease of £400,000 see Appendix D).
15. A report categorising the debt stages of all Business Rates arrears is attached at Appendix E.
16. In addition the Business Rates Team have also been collecting the BID levy for the Shrewsbury BID since June 2014. As at 9 November 2015 we had collected 96.4% of the liability due for 2014-15 and 94.9% of the liability due for 2015-16.

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 will 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. Business Rates is collected in accordance with the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989.

6. Additional Information

None

7. Conclusions

Members are asked to note the content of the report.

Meeting, date: Report heading

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)

Mike Owen

Local Member

N/A

Appendices

Appendix A - 2014/15 Collection Rate Comparison with National Performance

Appendix B - Council Tax Arrears Analysis

Appendix C - Council Tax Aged Debt Analysis

Appendix D - Business Rates Arrears Analysis

Appendix E - Business Rates Debt Analysis

Appendix A

	Council Tax	Business Rates
2013-14 collection rate	98.1%	98.3%
2014-15 collection rate	98.3%	98.7%
2014-15 National position (out of 326 Authorities*)	joint 82nd	joint 89th
2014-15 National average	97.0%	98.1%
2014-15 Unitary average	96.8%	97.9%
2014-15 Unitary position (out of 56 Unitary Authorities)	6th	12th
2014-15 West Midland Position (out of 31 Authorities*)	joint 8th	joint 7th

*includes Unitary, District and Metropolitan Authorities

Appendix B

COUNCIL TAX ARREARS ANALYSIS AS AT 1st Nov 2015				
As at rollover 1 April 2015	TOTALS	DR	CR	NET TOTAL
		8,613,681.09	-1,841,640.10	6,772,040.99
		DR	CR	
1993-94		14.01	-5,432.99	-5,418.98
1994-95		206.18	-8,942.64	-8,736.46
1995-96		111.73	-12,094.56	-11,982.83
1996-97		1,447.04	-11,974.20	-10,527.16
1997-98		2,493.19	-10,840.30	-8,347.11
1998-99		4,617.83	-9,339.77	-4,721.94
1999-00		7,745.04	-14,679.86	-6,934.82
2000-01		8,012.83	-11,064.73	-3,051.90
2001-02		10,513.72	-21,456.49	-10,942.77
2002-03		17,950.81	-25,918.80	-7,967.99
2003-04		36,676.71	-29,513.30	7,163.41
2004-05		55,130.28	-40,988.81	14,141.47
2005-06		86,666.64	-62,371.01	24,295.63
2006-07		131,032.96	-64,837.92	66,195.04
2007-08		165,679.23	-65,054.98	100,624.25
2008-09		297,168.33	-120,572.09	176,596.24
2009-10		424,682.97	-237,064.62	187,618.35
2010-11		580,835.04	-153,368.04	427,467.00
2011-12		689,994.84	-104,944.80	585,050.04
2012-13		842,772.53	-108,202.16	734,570.37
2013-14		1,277,377.79	-180,316.49	1,097,061.30
2014-15		2,101,059.41	-266,143.56	1,834,915.85
		6,742,189.11	-1,565,122.12	5,177,066.99
Reduction in Arrears		1,871,491.98	-276,517.98	1,594,974.00

Appendix C

Council Tax Aged Debt analysis 1 Nov 2015		
	accounts	£ value
14 Day letter	1,091	£708,825.71
Adjourned Committal		
Potential Special Arrangement		
Arrest Warrant - Bail	71	£39,807.49
Charging Order	128	£153,119.09
Attachment of Benefits	800	£289,822.02
Attachment of Earnings	997	£621,514.80
Bailiff Return	398	£229,621.00
Bailiff Return Spa		
Bankruptcy		
Committal - Suspended Sentence	3	£1,283.09
Committal		
Committal Summons	2	£442.50
Dataload 14 Day		
Dataload Bailiff		
Dataload AOB		
Dataload SPA	0	£0.00
Enforcement Hold	255	£148,851.07
Liability Order Granted		
Mutiple Liability Order	9	£4,978.40
No Enforcement Stage		
Pending Attachment of Benefits	807	£387,943.15
Pending Attachment of Earnings	402	£311,950.14
Pre Committal Letter	2,890	£1,785,812.55
Small Balance Letter	266	£19,097.86
Special Arrangement	1,586	£827,746.54
Special Arrangment Reminder	321	£174,741.94
Tracing Agent	93	£75,324.12
With Bailiff	5,108	£2,452,371.48
Write Off	27	£12,602.51
Write Off Pending	2,588	£857,080.31
Totals	17,842	£9,102,935.77

Appendix D

NNDR ARREARS ANALYSIS AS AT 1st Nov 2015			
As at 1 Jul 2015	TOTALS	DR	CR
		3,415,547.28	-1,084,227.87
			2,331,319.41
		DR	CR
1990-91		0.00	0.00
1991-92		0.00	0.00
1992-93		0.00	0.00
1993-94		0.00	0.00
1994-95		0.00	0.00
1995-96		0.00	-352.16
1996-97		0.00	-543.55
1997-98		1,230.83	-4,400.71
1998-99		16.20	-1,893.15
1999-00		0.00	-423.08
2000-01		0.00	-4,393.70
2001-02		0.00	-8,724.06
2002-03		5.00	-12,779.53
2003-04		77.58	-10,312.22
2004-05		1,594.11	-11,862.22
2005-06		38,946.00	-8,827.57
2006-07		99,437.99	-17,754.42
2007-08		86,980.07	-18,135.18
2008-09		171,561.35	-72,270.44
2009-10		195,651.21	-240,852.08
2010-11		218,992.26	-70,523.80
2011-12		276,109.69	-35,816.84
2012-13		320,487.95	-21,924.80
2013-14		555,782.91	-82,269.26
2014-15		1,000,404.02	-73,560.96
		2,967,277.17	-697,619.73
Reduction in Arrears		448,270.11	-386,608.14
			61,661.97

Appendix E

NDR Aged Debt Analysis 1st Nov 2015		
	accounts	£ value
Small Balance	24	1,260.69
7 Day Letter	53	275,665.35
warrant no bail	1	1,053.50
Bailiff Return	234	644,351.13
Insolvency proceeding	0	0.00
Bankruptcy	0	0.00
Committal Summons	3	2,326.75
Enforcement Hold	16	83,508.36
Liquidation	0	0.00
Multiple Liability Order	2	5,090.50
No Enforcement Stage	2	0.00
Pre Committal Letter	183	422,806.90
Spa Reminder	21	73,215.31
Special Arrangement	84	307,281.44
Tracing Agent	9	74,664.71
Warrant with bail	1	988.00
With Bailiff	287	590,643.69
Write Off	336	590,199.67
Totals	1,256	3,073,056.00