

TONBRIDGE & MALLING BOROUGH COUNCIL
FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

03 June 2015

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Information

1 COUNCIL TAX AND BUSINESS RATES UPDATE REPORT

A report detailing recent developments in respect of council tax and business rates and requesting Members to approve a change to the options available for the payment of council tax.

1.1 Collection of council tax and business rates

- 1.1.1 As at 31 March 2015, the final collection rate for council tax, for the year 2014/15, was 98.31%. This exceeds the target set for the financial year (98.2%). The final collection rate for 2013/14 was 98.29%.
- 1.1.2 As at 31 March 2015, the final collection rate for business rates, for the year 2014/15, was 99.74%. This exceeds the target set for the financial year (99.6%). The final collection rate for 2013/14 was 99.53%.
- 1.1.3 Considering the level of council tax support for working age claimants was reduced by 10% (91.5% support in 2013/14 compared to 81.5% support in 2014/15), to improve the collection rate and exceed our target is a great achievement.
- 1.1.4 At the start of the 2014/15 financial year, the target was lowered as it was felt the reduction in support would have a significant impact on the level of collection. I am pleased to advise this has not been the case! Approximately 80% of the debt owed by working age claimants has already been collected for 2014/15, with 88% collected so far for 2013/14.
- 1.1.5 I also advised Members on the 24 September 2014 meeting of this Board that I was reviewing the amount of recovery notices being issued compared to the previous financial year to gauge the impact of the revised council tax reduction scheme.
- 1.1.6 I am pleased to advise that, despite the approximately £350,000 extra council tax that was due from working age claimants in 2014/15, the number of notices issued overall was only 0.29% higher than in 2013/14 and that the number of summonses issued actually decreased (see **ANNEX 1**).

- 1.1.7 This, I believe, demonstrates that these claimants have 'taken on board' their responsibility to pay their share, and that those who may have been struggling to pay have contacted the Revenue team before court action was required.
- 1.1.8 This level of collection has certainly helped to improve the overall collection rate for the 2014/15 financial year and I am pleased to advise that the collection rate as at the end of April is already half a percent up on the previous year (for working age claimants).
- 1.1.9 I am also pleased to advise that previous year council tax arrears reduced by £950,000 in the last financial year (compared to £710,000 in 2013/14).
- 1.1.10 As always, I can assure Members that every effort is being made to maintain a high collection rate, and that we are doing all that is possible to collect the council tax that is due to the Council.
- 1.1.11 As at 30 April 2015, the collection rate for council tax stood at 7.82%. For the same period in the year 2014/15, the collection rate was 7.81%.
- 1.1.12 As at 30 April 2015, the collection rate for business rates stood at 12.84%. For the same period in the year 2014/15, the collection rate was 13.13%.

1.2 Legal Implications

- 1.2.1 Nil.

1.3 Financial and Value for Money Considerations

- 1.3.1 The percentage of council tax and business rates collected during the year impacts on the Council's finances and, consequently, on the level of council tax for future years.

1.4 Risk Assessment

- 1.4.1 Nil.

Background papers:

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1. In respect of the collection of council tax and business rates, data held within Financial Services.

Sharon Shelton
Director of Finance and Transformation