

TONBRIDGE & MALLING BOROUGH COUNCIL

FINANCE and PROPERTY ADVISORY BOARD

08 January 2014

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

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 30 November 2013, the collection rate for council tax stood at 74.57%. For the same period in the year 2012/13, the collection rate was 74.88%.
- 1.1.2 As at 30 November 2013, the collection rate for business rates stood at 80.97%. For the same period in the year 2012/13, the collection rate was 81.01%.
- 1.1.3 I shall update Members, as to the collection rates for 2013/14, as at 31 December 2013, for both council tax and business rates, on the evening of the meeting.
- 1.1.4 In respect of the customers receiving a council tax reduction (CTR), approximately 69% of the council tax due has been paid, which has already surpassed our original estimate at the start of the financial year.
- 1.1.5 I am pleased that the council tax collection rate is still only marginally below last year's level; nationally, collection rates were 0.45% down at the end of the second quarter of the financial year. I am also hopeful that more income will be received during the months of February and March compared to previous years due to more taxpayers paying their council tax over twelve monthly instalments.
- 1.1.6 Although the amount of council tax paid by the 'new' payers is currently exceeding our expectations, Members may wish to bear in mind that the collection rate may suffer slightly in 2014/15 when the council tax reduction available decreases from a maximum of 91.5% to a maximum of 81.5%.

1.2 Autumn Statement

1.2.1 The Chancellor announced a package of business rate measures that will take effect in the next financial year:

- the Retail Price Index increase in 2014-15 (in respect of the multiplier) will be capped at 2% instead of 3.2%;
- the doubling of the Small Business Rate Relief will be extended for a further 12 months until 31 March 2015;
- ratepayers receiving Small Business Rate Relief that take on an additional property which would currently disqualify them from receiving relief will continue to receive their existing relief for 12 months;
- shops, pubs and restaurants with a rateable value below £50,000 will receive a discount of £1000 for two years up to the state aid limits, from 1 April 2014;
- a 50% reoccupation relief will be awarded for 18 months - between 1 April 2014 and 31 March 2016 - for businesses that move into retail premises that have been empty for a year or more;
- ratepayers will be allowed to elect to pay bills over 12 instalments instead of ten (this is in line with council tax); and
- 95% of the September 2013 backlog in business rates appeals will be cleared before July 2015.

1.2.2 The £1000 discount and 50% reoccupation relief will be delivered through the local authority's discretionary powers (under s47 of the Local Government Finance Act 1988). The other measures will require legislative changes.

1.2.3 Local authorities will be refunded for the loss in rate yield as a result of these measures. Refunds will be made through s31 New Burden grants.

1.3 Payment of council tax

1.3.1 As Members will aware, we offer a variety of methods for payment of council tax: direct debit; internet banking; telephone payments; payment cards (for payment at post offices etc.); payment by cheque; payment by standing order; and payment in cash at Kings Hill and Tonbridge Castle.

1.3.2 In addition to the above, we have, for many years, provided payment books to council tax payers. These books contain payment slips that can be used if someone wishes to make a payment at a bank. These books are expensive to produce and cost more to post than if we were merely sending a council tax bill. The use of these books has diminished over the years and, of the 50,000 plus council tax bills that are sent out each March, only about 1,500 are sent with payment books. Of the 1,500 that are sent out, not all are used in the way that

they are intended to be used. For example, some council tax payers will use the slips for some of their payments but on other occasions pay over the telephone by credit card or send in a cheque accompanied by a payment slip.

- 1.3.3 With the ever-increasing pressure to keep costs down and promote the 'digital agenda', I feel that the time is now right to cease to offer payment books to customers. Bearing in mind the relatively low numbers involved and the array of alternative payment methods available, I do not consider that council tax payers would suffer any inconvenience if Members were to agree with my proposal.

1.4 E-billing

- 1.4.1 We are working towards being able to give council taxpayers and business ratepayers the option to receive their bills electronically. The development of the MyAccount facility on the Council's website will enable us to progress this.
- 1.4.2 For further details, please refer to the report of the Chief Executive elsewhere on this evening's agenda.

1.5 Legal Implications

- 1.5.1 Nil.

1.6 Financial and Value for Money Considerations

- 1.6.1 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.

1.7 Risk Assessment

- 1.7.1 Nil.

1.8 Recommendation

- 1.8.1 Members are **REQUESTED** to **RECOMMEND** to Cabinet that we no longer produce payment books for council tax payments.

The Director of Finance and Transformation confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

Nil

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Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	There should be no adverse impact because of the variety of other payment methods that are available.
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	No	The recommendation would remove a method of payment, whilst leaving in place many other methods.
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		N/A

In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.