

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

23 September 2015

Report of the Director of 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

1.1 Collection of council tax and business rates

- 1.1.1 As at 31 August 2015, the collection rate for council tax stood at 45.66%. For the same period in the year 2014/15, the collection rate was 45.27%.
- 1.1.2 As at 31 August 2015, the collection rate for business rates stood at 48.88%. For the same period in the year 2014/15, the collection rate was 49.87%.
- 1.1.3 I am encouraged that the council tax collection rate is higher than in 2014/15 as we approach the half way point of this financial year, and that the collection rate for working age claimants continues to improve (38.14% as at 31 August compared to 35.47% in 2014/15).
- 1.1.4 I am also pleased to advise that the number of recovery notices issued this financial year has decreased further, with approximately 15% fewer being sent compared to 2014/15 (see **ANNEX 1**).
- 1.1.5 Members may have noticed recent media interest in council tax recovery (and to a lesser extent, business rate recovery) following national reports by the Children's Society and the Money Advice Trust. Much of the interest has revolved around the use of enforcement agents (bailiffs).
- 1.1.6 Generally, the Borough Council only uses enforcement agents for council tax and business rate collection as a last resort when all other options have failed. We always try to be sensitive to a family or business's circumstances and make every effort to help wherever possible.
- 1.1.7 With regard to council tax, staff negotiate regularly with taxpayers in respect of payment arrangements, spreading instalments to accommodate particular needs and encouraging families to apply for council tax support. When writing to debtors to remind them of debts we will always recommend that debtors talk to us so that

we can help and we remind taxpayers that they can seek help from a professional debt adviser such as the Citizens' Advice Bureau. Staff are always happy to talk to agencies such as these who are acting on behalf of debtors in order to find a way forward.

1.1.8 Staff are also aware of the need to keep businesses trading when negotiating payment arrangements, and make the ratepayer aware of the many reliefs that are available that could reduce their liability.

1.1.9 Sadly, however, despite all the offers we make, some debtors simply will not engage with us and we have no alternative course of action but to refer to an enforcement agent. The Council has a duty to collect taxes that are due for the benefit of all residents within the borough and will pursue collection until it is no longer viable to do so.

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