

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

01 June 2016

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.

1.1 Collection of council tax and business rates

- 1.1.1 As at 31 March 2016, the final collection rate for council tax, for the year 2015/16, was 98.87%. This exceeds the target set for the financial year (98.3%). The final collection rate for 2014/15 was 98.31%.
- 1.1.2 As at 31 March 2016, the final collection rate for business rates, for the year 2015/16, was 99.43%. This is marginally below the target set for the financial year (99.6%). The final collection rate for 2014/15 was 99.74%.
- 1.1.3 To increase the council tax collection rate by over half a percent in the last financial year is an excellent achievement. I am also pleased to advise that this is the highest collection rate in Kent for 2015/16!
- 1.1.4 This improvement has been, in some part, due to the working age taxpayers in receipt of council tax support paying 3% (approximately £50,000) more than in 2014/15.
- 1.1.5 The previous year council tax arrears also reduced by £1.25M in the last financial year (compared to £950,000 in 2014/15).
- 1.1.6 I am also pleased to advise that the number of recovery notices issued overall in 2015/16 was nearly 14% lower than in 2014/15 (see **ANNEX 1**). This helped to reduce the cost of collection by approximately £5,000.
- 1.1.7 In respect of business rates, the collection target was narrowly missed. This was due to one property being assessed late by the Valuation Office, which did not allow sufficient time to collect the £70,000 debt. Despite this, the collection rate was still the third highest in Kent.

- 1.1.8 The previous year business rate arrears reduced by £380,000 in the last financial year, leaving just over £500,000 uncollected in respect of all rates due since 1990.
- 1.1.9 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.
- 1.1.10 As at 30 April 2016, the collection rate for council tax stood at 7.76%. For the same period in the year 2015/16, the collection rate was 7.82%.
- 1.1.11 As at 30 April 2016, the collection rate for business rates stood at 12.29%. For the same period in the year 2015/16, the collection rate was 12.84%.
- 1.1.12 I shall update Members, as to the collection rates for 2016/17, as at 31 May 2016, for both council tax and business rates, on the evening of the meeting.

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