

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

**23 July 2014**

**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**

1.1.1 As at 30 June 2014, the collection rate for council tax stood at 26.8%. For the same period in the year 2013/14, the collection rate was 26.98%.

1.1.2 The change to the council tax reduction scheme, in that working age claimants are now paying 18.5% compared to 8.5% in 2013/14, may be having an effect on the collection rate this financial year.

1.1.3 Members will be aware that recovery work has increased substantially since the council tax reduction scheme (CTRS) was introduced in April 2013. For information, **[Annex 1]** sets out a comparison of recovery notices issued in 2013/14 compared to the previous year 2012/13.

**1.2 Collection of business rates**

1.2.1 As at 30 June 2014, the collection rate for business rates stood at 31.96%. For the same period in the year 2013/14, the collection rate was 35.63%.

1.2.2 With regards to the decrease in business rate collection, I believe this may be due to the effect of businesses now having the statutory option to pay their rates over a twelve month period (compared to the previous statutory, default requirement to pay ten, monthly instalments). Although the final collection rate should hopefully be comparable to the previous year's level, the current cash flow is reduced. I shall continue to monitor this during the year and shall update Members accordingly should the rate change more significantly.

**1.3 Legal Implications**

1.3.1 Nil.

**1.4 Financial and Value for Money Considerations**

1.4.1 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.

**1.5 Risk Assessment**

1.5.1 Nil.

Background papers:

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Nil

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