

WEST DUNBARTONSHIRE COUNCIL

Report by the Chief Executive

Corporate Services Committee: 28 November 2006

Subject: Update on Finance Revenues Collection

1. Purpose

- 1.1** The purpose of this report is to update Committee on the collection of the local Council Tax and National Non-Domestic Rates (NNDR).

2. Background

- 2.1** In February 2006 the Council set a 2006/07 Council Tax of £1,138 (Band D). Included in the budgetary assumptions was an estimated collection level of 96.0% of the net charges levied. The budgeted yield from the Council Tax was set at £37,000,930.
- 2.2** The NNDR is a tax on non-domestic properties. The rate poundage to be applied each year is determined by the Scottish Parliament and for 2006/07 has been set at 44.9p. Local authorities collect NNDR on behalf of the Scottish Executive and forward sums collected to the national pool. NNDR demand notices were issued in April 2006 with the first instalment being due for payment by 7 May 2006.

3. Main Issues

Council Tax

- 3.1** The first Council Tax instalment for 2006/07 was due for payment by 28 April 2006 with subsequent instalments due thereafter for 9 months on the 28th of each month. The final instalment is due to be paid by 28 January 2007.
- 3.2** With respect to the bills issued for 2006/07, the following control totals as at 31 October 2006 have been produced (excluding any sums due for Scottish Water charges):

	£
Gross Charges Levied	43,809,200
Less Reliefs and Exemptions	<u>5,341,480</u>
Net Charges Levied	38,467,720
Less Benefits Awarded	<u>9,725,730</u>
Net Sum Collectable	<u>28,741,990</u>

On the basis of the budgeted 96.0% collection rate, the projected yield for 2006/07 is £36,929,010, which compares to the budgeted yield of £37,000,930.

- 3.3** The collection performance for 2006/07 as at 31 October 2006 is 0.8% greater than the percentage collected for 2005/06 at the same time i.e. 62.4% for 2006/07 compared with 61.6% for 2005/06. The performance improvement target for 2006/07 is to improve the in-year collection rate from 90.4% to 91%.
- 3.4** Although the above figures exclude any costs associated with water and sewerage charges, the Council is responsible for the billing and collection of these sums on behalf of Scottish Water. In this respect The Committee is asked to note that reductions in bills totalling £358,060 have been processed for 2006/07 in accordance with the Water Charges Reduction Scheme.
- 3.5** Document Imaging and Workflow technologies have been introduced to the Council Tax section. These technologies have assisted with the management of incoming correspondence (averaging 1,000 items per week), the prioritisation of workloads and the electronic filing of records. These efficiencies have improved the working patterns and environment of the Council Tax section and at present, all correspondence is being dealt with within 7 working days.

NNDR

- 3.6** The first NNDR instalment for 2006/07 was due for payment by 7 May 2006 with subsequent instalments due thereafter on the 7th of each month. The final instalment is due to be paid by 7 February 2007.
- 3.7** With respect to the NNDR bills issued for 2006/07, the following control totals as at 31 October 2006 have been produced:

	<u>£</u>
Gross Charges Levied	63,520,340
Less Reliefs and Exemptions	<u>3,010,230</u>
Net Charges Collectable	<u>60,510,110</u>

- 3.8** The Committee should note that the collection performance for 2006/07 as at 31 October is 11.1% higher than the percentage collected for 2005/06 at the same point in time i.e. 66.2% for 2006/07 compared with 55.1% for 2005/06. The performance improvement target for 2006/07 is to improve the in-year collection rate from 95.8% to 97.0%.

4. Personnel Issues

- 4.1** There are no personnel issues.

5. Financial Implications

- 5.1** The Council Tax collection performance is ahead of the collection assumptions contained within the 2006/07 General Services budget.

6. Conclusions

- 6.1** The 2006/07 in-year collection rates for Council Tax and NNDR are currently ahead of the target performance level.

7. Recommendations

- 7.1** The Committee is invited to note the Council Tax and NNDR collection performance.

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Date: 15 November 2006

Wards Affected: All Wards

Appendix: None

Background Papers: No background papers

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