

# WEST DUNBARTONSHIRE COUNCIL

## Report by the Chief Executive

Corporate and Efficient Governance Committee: 26 September 2007

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### Subject: Update on Finance Revenues Collection 2007/08

#### 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 2007 the Council set a 2007/08 Council Tax of £1,163 (Band D). Included in the budgetary assumptions was an estimated collection level of 96.75% of the net charges levied. The budgeted yield from the Council Tax was set at £38,204,550.
- 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 2007/08 has been set at 44.1p. Local authorities collect NNDR on behalf of the Scottish Executive and notionally forward sums collected to the national pool.

#### 3. Main Issues

##### Council Tax

- 3.1 The first Council Tax instalment for 2007/08 was due for payment by 28 April 2007 with subsequent instalments due thereafter for 9 months on the 28<sup>th</sup> of each month. The final instalment is due to be paid by 28 January 2008.
- 3.2 With respect to the bills issued for 2007/08, the following control totals as at 31 August 2007 have been produced (excluding any sums due for Scottish Water charges):

	<u>£</u>
Gross Charges Levied	44,935,250
Less Reliefs and Exemptions	<u>5,316,220</u>
Net Charges Levied	39,619,030
Less Benefits Awarded	<u>9,802,760</u>
Net Sum Collectable	<u>29,816,270</u>

On the basis of the actual billing totals as at 31 August 2007, the yield for 2007/08 is £38,331,410, which compares favourably with the budgeted yield of £38,204,550.

- 3.3 The in-year collection target for 2007/08 is 92.75%. This represents an increase of 0.65% from the previous financial year. The percentage collected as at 31 August 2007 was 45.8%. This is 0.8% ahead of the profile set for the year.

- 3.4** Document Imaging and Workflow technologies have been introduced to the Council Tax section. These technologies have assisted with the management of incoming correspondence, the prioritisation of workloads and the electronic filing of records. As at 31 August 2007, all correspondence was being dealt with within 16 working days.
- 3.5** Members will be aware that the meeting of the Corporate Services Committee on 27 June 2007 approved the release of annual Council Tax statements to debtors. A pilot exercise of 1,000 cases was conducted in August and on the basis of feedback received it is intended to commence the full rollout of statements early in October. The production of the statements will be backed up with appropriate publicity.
- 3.6** The publicity material will also highlight the new on-line Council Tax enquiry service. A facility is now available for members of the public to register with the Council and view details of their Council Tax account over the Internet.

#### NNDR

- 3.7** The first NNDR instalment for 2007/08 was due for payment by 7 May 2007 with subsequent instalments due thereafter on the 7<sup>th</sup> of each month. The final instalment is due to be paid by 7 February 2007.
- 3.8** With respect to the NNDR bills issued for 2007/08, the following control totals as at 31 August 2007 have been produced:

	<u>£</u>
Gross Charges Levied	61,333,680
Less Reliefs and Exemptions	<u>2,970,700</u>
Net Charges Collectable	<u>59,362,980</u>

- 3.9** The in-year collection target for 2007/08 is 97.25%. This represents an increase of 0.25% from the previous financial year. The percentage collected as at 31 August 2007 was 41.8%. This is 0.3% ahead of the profile set for the year.
- 3.10** Discretionary relief of rates can be awarded to organisations whose activities are defined as being concerned with education, science, social welfare, literature and fine art or otherwise philanthropic in nature. The Council is required to fund 25% of the value of discretionary relief awarded. During 2007/08 to date, relief awarded under this discretion amounts to £233,550 and as such the Council will contribute £58,390. The budget for this contribution in 2007/08 is £62,330.

#### **4. Personnel Issues**

- 4.1** There are no personnel issues.

#### **5. Financial Implications**

- 5.1** The Council Tax collection performance is in line with the collection assumptions contained within the General Services budget.

**5.2** The Council contribution toward discretionary relief of rates is within the provision in the General Services budget.

## **6. Risk Analysis**

**6.1** The Council's collection target contained within the 2007/08 General Services Budget is for a life time collection rate of 96.75%. Within this target there is an assumption that 92.75% will be collected within the first year. Failure to collect 92.75% in the first year would have an adverse effect upon the ability of the Council to achieve the 96.75% collection target.

## **7. Conclusions**

**7.1** The 2007/08 in-year collection rates for Council Tax and NNDR are on track to achieve the target performance levels.

## **8. Recommendations**

**8.1** Committee is invited to note:

- a) the Council Tax and NNDR collection performance to date,
- b) the issue of Council Tax statements in October, and
- c) the launch of the on-line Council Tax enquiry service.

**David McMillan**  
**Chief Executive**  
**Date: 17 September 2007**

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**Wards Affected:** All Wards

**Appendix:** None

**Background Papers:** No background papers

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