

# WEST DUNBARTONSHIRE COUNCIL

## Report by the Chief Executive

Corporate Services Committee - 28 June 2006

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### Subject : Update on Finance Revenues Collection

#### 1. Purpose

- 1.1 The purpose of this report is to update Members 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 28<sup>th</sup> 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 May 2006 have been produced (excluding any sums due for Scottish Water charges):

	£
Gross Charges Levied	43,762,950
Less Reliefs and Exemptions	<u>5,250,550</u>
Net Charges Levied	38,512,400
Less Benefits Awarded	<u>9,628,070</u>
Net Sum Collectable	<u>28,884,330</u>

It should be noted that these figures are still provisional and subject to audit. On the basis of the budgeted 96.0% collection rate, the projected yield for 2006/07 is £36,971,900, which is in line with the budgeted yield of £37,000,930.

**3.3** Members should note that the collection performance for 2006/07 as at 31 May 2006 is 1.2% greater than the percentage collected for 2005/06 at the same time i.e. 17.4% for 2006/07 compared with 16.2% for 2005/06. The performance improvement target for 2006/07 is to improve the in-year collection rate from 90.4% to 91%. The overall collection target for 2006/07 has increased from 95.5% to 96.0%.

**3.4** Although the above figures exclude any costs associated with water and sewerage charges, Members will be aware that the Council is responsible for the billing and collection of these sums on behalf of Scottish Water. In this respect Members are asked to note that reductions in bills totalling £353,890 have been processed for 2006/07 in accordance with the Water Charges Reduction Scheme.

#### NNDR

**3.5** The first NNDR instalment for 2006/07 was due for payment by 7 May 2006 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.

**3.6** With respect to the NNDR bills issued for 2006/07, the following control totals as at 31 May 2006 have been produced:

	£
Gross Charges Levied	63,339,970
Less Reliefs and Exemptions	<u>2,555,280</u>
Net Charges Collectable	<u>60,784,690</u>

**3.7** Members should note that the collection performance for 2006/07 as at 31 May is 0.1% higher than the percentage collected for 2005/06 at the same point in time i.e. 13.2% for 2006/07 compared with 13.1% 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 on target to meet the collection assumptions contained within the 2006/07 General Services budget.

#### **6. Conclusions**

**6.1** The 2006/07 in-year collection rates for both Council Tax and NNDR are ahead of the 2005/06 collection profile.

## **7. Recommendations**

**7.1** Members are asked to note the council tax and NNDR collection performance.

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**Background Papers:** None.

**Wards Affected:** All Council Wards.