

WEST DUNBARTONSHIRE COUNCIL

Report by the Chief Executive

Corporate Services Committee: 26 April 2006

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 2005 the Council set a 2005/06 Council Tax of £1,113 (Band D). This represented an increase of 2.2% over 2004/05 and included in the budgetary assumptions was an estimated collection level of 95.5% of the net sum billed. The budgeted yield from the Council Tax was set at £35,579,270.
- 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 2005/06 has been set at 46.1p. 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 2005 with the first instalment being due for payment by 7 May 2005.

3. Main Issues

Council Tax

- 3.1 The first Council Tax instalment for 2005/06 was due for payment by 28 April 2005 with subsequent instalments due thereafter for 9 months on the 28th of each month. The final instalment was due to be paid by 28 January 2006.
- 3.2 With respect to the bills issued for 2005/06, the following control totals as at 31 March 2006 have been produced (excluding any sums due for Scottish Water charges):

	<u>£</u>
Gross Charges Levied	42,765,710
Less Reliefs and Exemptions	<u>5,400,027</u>
Net Charges Levied	37,365,683
Less Benefits Awarded	<u>9,554,108</u>
Net Sum Collectable	<u>27,811,575</u>

It should be noted that these figures are still provisional and subject to audit. On the basis of the budgeted 95.5% collection rate, the projected yield for 2005/06 is £35,684,230, which compares favourably with the budgeted yield of £35,579,270.

- 3.3** The provisional in-year collection performance for 2005/06 is 90.4% which has exceeded the target set for the year of 90%. This represents an increase of 1% when compared with percentage collected in 2004/05 of 89.4%.
- 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 £148,050 have been processed for 2005/06 in accordance with the Water Charges Reduction Scheme.

NNDR

- 3.5** The first NNDR instalment for 2005/06 was due for payment by 7 May 2005 with subsequent instalments due thereafter on the 7th of each month. The final instalment was due to be paid by 7 February 2006. The Scottish Parliament set the rate poundage for 2005/06 at 46.1p per pound.
- 3.6** With respect to the NNDR bills issued for 2005/06, the following control totals as at 31 March 2006 have been produced:

	<u>£</u>
Gross Charges Levied	64,036,340
Less Reliefs and Exemptions	<u>4,175,780</u>
Net Charges Collectable	<u>59,860,560</u>

- 3.7** The provisional in-year collection NNDR performance for 2005/06 is 95.8% which has exceeded the target set for the year of 94.5%. This represents an increase of 4.3% when compared to the percentage collected in 2004/05 of 91.5%. The comparison between different financial years will be distorted in the current financial year, as the Council is now liable to collect the NNDR liability from all Scottish Gas installations in Scotland.
- 3.8** Members are asked to note that all these figures are both provisional at this stage and subject to audit.

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 2005/06 General Services budget.

6. Conclusions

- 6.1** The in-year collection rates for both Council Tax and NNDR improved in 2005/06.

7. Recommendations

- 7.1 Members are asked to note the Council Tax and NNDR collection performance, which in both cases has exceeded targets.

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Background Papers: None

Wards Affected: All Council Wards.