

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Corporate Services

Corporate & Efficient Governance Committee: 30 September 2009

Subject: Update on Finance Revenues Performance 2009/10

1. Purpose

- 1.1 The purpose of this report is to update Committee on the billing and collection of local revenues and the administration of housing and council tax benefits.

2. Background

- 2.1 In February 2009 the Council set a 2009/10 council tax of £1,163 (Band D). Included in the budgetary assumptions was an estimated collection level of 97% of the net charges levied. The budget yield from the council tax was set at £38,589,260.

- 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 2009/10 has been set at 45.8p. Local authorities collect NNDR on behalf of the Scottish Government and notionally forward sums collected to the national pool.

3. Main Issues

Council Tax

- 3.1 The first council tax instalment for 2009/10 was due for payment on 1 April 2009, with subsequent instalments on the standard payment scheme due thereafter for 9 months on the 1st of the month or on the 15th or 28th if paying by direct debit. In addition, for 2009/10 the Council has introduced a 12 month instalment option.

- 3.2 With respect to the bills issued for 2009/10, the following control totals as at 31 August 2009 have been produced (excluding any sums due for Scottish Water charges)

Gross charges levied	£ 45,258,180
Less reliefs and exemptions	5,498,820
Net charges levied	39,759,360
Less benefits awarded	9,952,660
Net sum collectable	<u>29,806,700</u>

On the basis of the billing totals as at 31 August 2009, the predicted yield for 2009/10 is £38,566,680 which compares with the budgeted yield of £38,589,260.

- 3.3 As at 31 August 2009, 1,082 households had opted to use the 12 month instalment option.
- 3.4 The in-year collection target for 2009/10 is 93%. As at 31 August 2009 the percentage collected was 47.1%. This is ahead of the profile set for the year.

National Non Domestic Rates (NNDR)

- 3.5 The NNDR is a tax on non-domestic properties. The rate poundage to be applied each year is determined by the Scottish Government and for 2009/10 was set at 48.1p. Local authorities collect NNDR on behalf of the Scottish Government and notionally forward sums collected to the national pool.
- 3.6 The first NNDR instalment for 2009/10 was due for payment by 7 May 2009 with subsequent instalments due thereafter on the 7th of each month. With respect to the NNDR bills issued for 2009/10, the following control totals as at 31 August 2009 have been produced:

	£
Gross charges levied	63,270,380
Less reliefs and exemptions	<u>3,839,980</u>
Net charges collectable	<u>59,430,400</u>

The in-year collection target for 2009/10 is 98%. The percentage collected as at 31 August 2009 was 42.5%. This is ahead of the profile set for the year.

- 3.7 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. As at 31 August 2009, relief awarded under this discretion amounted to £226,330 and, as such, the Council will contribute £56,580. The budget for this contribution in 2009/10 is £54,410.
- 3.8 Small Business Relief of £1,284,600 has been awarded during 2009/10 to 734 businesses. In addition, 112 businesses have applied for the 2009/10 rates deferment scheme whereby elements of the 2009/10 rates increase can be deferred for up to 2 years. The value of deferred relief awarded to date is £652,400.

4. Personnel Issues

- 4.1 There are no Personnel issues associated with this report.

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 £2,170 greater than the provision in the general services budget.

6. Risk Analysis

6.1 The Council's general services budget for 2009/19 assumes a yield from council tax. Failure to collect these sums would have an adverse effect upon the Council's budget.

7. Conclusions & Officers' Recommendations

7.1 The 2009/10 in-year collection rates for council tax and NNDR are on track to meet the target performance levels.

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Date: 7 September 2009

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Appendices: None

Background Papers: None

Wards Affected: All