



## POLICY AND RESOURCES SCRUTINY COMMITTEE – 20TH APRIL 2010

**SUBJECT: COUNCIL TAX RECOVERY**

**REPORT BY: DIRECTOR OF CORPORATE SERVICES**

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### 1. PURPOSE OF REPORT

- 1.1 To inform Members of actual recovery rates and targets for council tax, following on from questions by Councillors at the Policy and Resources Scrutiny Committee on the 2<sup>nd</sup> March 2010.

### 2. SUMMARY

- 2.1 The report provides financial information and data in respect of council tax surpluses against budget and percentage collection rates. The report also provides an estimate of the loss of council tax income in respect of empty council houses, commonly referred to as “voids”.

### 3. LINKS TO STRATEGY

- 3.1 Maximising collection and recovery rates provides income for the Council to fund services.

### 4. THE REPORT

- 4.1 There are 2 percentage collection rate targets that are set annually for Council Tax income:-

1. In-year collection rate target

This measures collection rates for bills raised in the current financial year only. The in-year collection rate target for 2009/10 is 95.5%. It is estimated that the actual percentage rate will be 95.6% for 2009/10. The actual percentage collected for 2008/09 was also 95.6%, with 95.7% for 2007/08. Therefore it is pleasing to note that collection rates have been maintained during the recessionary period with a reduction of full time equivalent (FTE) staff numbers in the Council Tax/NNDR section of 5, which represents a reduction of 16% FTE's since 2007/08.

2. Actual budgeted collection rate

This percentage rate has been set at 97% for a number of years and represents the percentage we estimate will be collected during the year (i.e. 2010/11) and those amounts outstanding at the end of the financial year that we expect to collect the following year (i.e. 2011/12). The actual percentage collection rates for this performance indicator were:-

2007/08 collection as at 31/03/2009 was 98.1%

2006/07 collection as at 31/03/2008 was 97.7%

Figures for 2008/09 will be available after the financial year end has been closed.

## 4.2 Council Tax surpluses

Following on from the explanation above in paragraph 4.1 - point 2, any income collected over and above the 97% target would be surplus to the budget. This surplus will also include the recovery of any monies against debts older than 2 years.

4.3 The Council Tax surpluses since 2004/05 are detailed below:-

	£000
2008/09	574
2007/08	782
2006/07	1311
2005/06	1372
2004/05	689

These surpluses represent one-off amounts and have been transferred to General Fund balances at the financial year end.

## 4.4 Loss of council tax income in respect of empty council houses (void properties)

Typically in any one financial year the Authority will have an average 900 void properties. These properties have an average relet period of 58 days. Estimated loss of council tax income per annum is estimated at £116k, although it would be unrealistic to expect properties to be put into a "fit" state for relet overnight.

## 5. **FINANCIAL IMPLICATIONS**

5.1 None at present.

## 6. **PERSONNEL IMPLICATIONS**

6.1 There are none.

## 7. **CONSULTATIONS**

7.1 There are no consultation responses which have not been reflected in this report.

## 8. **RECOMMENDATIONS**

8.1 Members note the contents of this report.

## 9. **REASONS FOR THE RECOMMENDATIONS**

9.1 To ensure that Members understand the performance indicators and collection data relating to council tax recovery.

## 10. **STATUTORY POWER**

10.1 The Local Government Act 1972.

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