
Cabinet Member (Strategic Finance and Resources

17 June 2013

Name of Cabinet Member:

Cabinet Member (Strategic Finance and Resources) – Councillor Gannon

Director Approving Submission of the report:

Director of Finance and Legal Services

Ward(s) affected:

All

Title:

Performance within the Revenues Service for the period April 2012 – March 2013

Is this a key decision?

No. Although the matter within the Report can affect all wards in the City, it is not anticipated that the impact will be significant and it is therefore not deemed to be a key decision.

Executive Summary:

The purpose of this report is to update the Cabinet Member (Strategic Finance and Resources) on performance and developments within the revenues service during the financial year 2012/13. The revenues service is responsible for the collection of more than £105 million of Council Tax from 134,000 domestic properties, more than £116 million of non-domestic rates from 8,000 properties and more than £90 million of corporate income. The service has collected 95.9 per cent of Council Tax, 98.0 per cent of Business Rates and reduced council tax arrears by more than 40 per cent during 2012/13.

The service has also reduced the level of corporate debt outstanding for more than six months and reduced the level of housing benefit overpayment debt in 2012/13.

Recommendations:

The Cabinet Member is requested to:

- 1) Note the performance of the revenues service for the period 1 April 2012 to 31 March 2013;
- 2) Agree to receive a further report at the meeting of 21 October 2013 to provide an update for the period April 2013 to September 2013.

List of Appendices included:

None

Other useful background papers:

None

Has it or will it be considered by Scrutiny?

No

Has it, or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title:

Performance within the revenues service for the period April 2012 – March 2013

1. Context (or background)

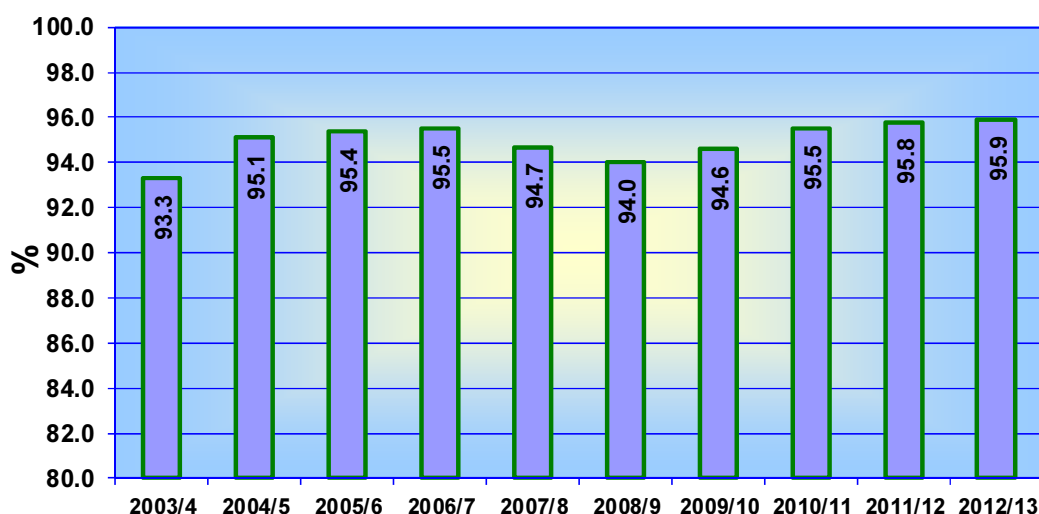
1.1 The purpose of this report is to update the Cabinet Member (Strategic Finance and Resources) on performance and developments within the revenues service during the financial year 2012/13. The revenues service is responsible for the collection of more than £105 million of Council Tax from 134,000 domestic properties, more than £116 million of non-domestic rates from 8,000 properties and more than £90 million of corporate income.

2. Options Considered and Recommended Proposal

Performance

2.1 The revenues service collected 95.9 per cent of Council Tax for the period 2012/13 which is marginally (£60,000) short of the 96.0 per cent operational target for the period. More than £101 million was collected which is a 2 per cent (£2.1 million) increase on the amount collected in 2011/12. The collection target for 2013/14 remains 96.0 per cent.

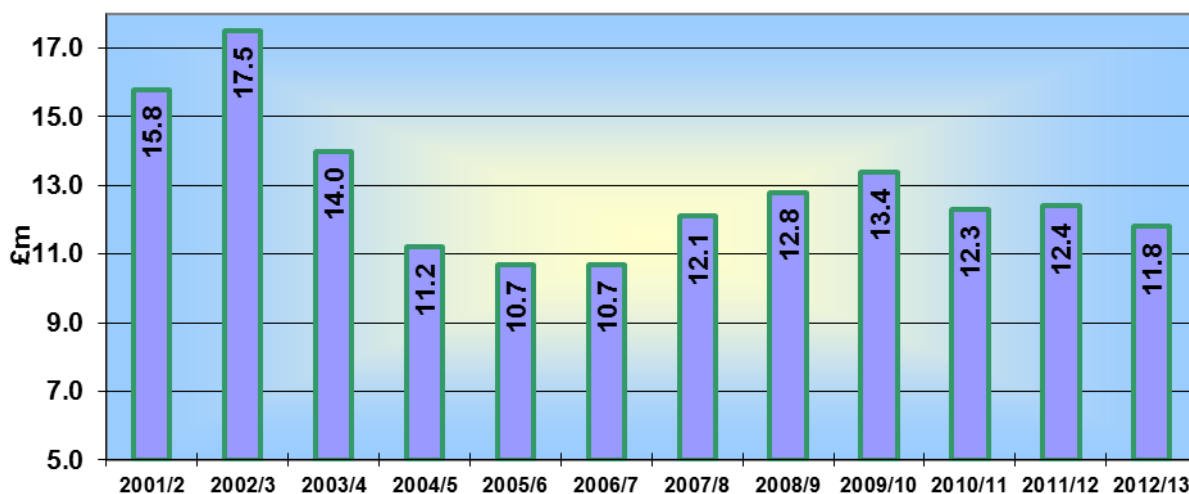
Figure 1 – Council Tax in-year collection rate by year



2.2 At 1 April 2012, £12.4 million of council tax was due for previous years (prior to 1 April 2012). By the end of March 2013 this balance had been reduced by 41 per cent to £7.3 million which surpasses the operational target of a 40 per cent reduction in council tax arrears.

2.3 The arrears figure carried forward, which includes £4.4 million of 2012/13 charges uncollected at 31 March 2013, is £11.8 million. This is lower than the £12.4 million balance carried forward at the end of 2011/12. The target for 2013/14 remains unchanged at a 40 per cent reduction in the £11.8 million outstanding as at April 2013.

Figure 2 – Council Tax arrears outstanding by year



The revenues service collected 98.0 per cent of business rates in 2012/13 against an operational target of 98 per cent. The £114 million collected represents a 2.6 per cent (£3 million) increase on the amount collected in 2011/2012. The operational target for the year was 98 per cent. The operational target for 2013/14 has been increased to 98.5 per cent.

- 2.4 The revenues service is responsible for the collection of corporate income - the billing and collection of invoices raised for goods and services provided by all Council Directorates ranging from commercial rent income, to care charges and one off services.
- 2.5 During 2012/13 the revenues service reduced the level of corporate income owing to the Council for more than six months from £0.94 million in April 2012 to £0.88 million at the end of March 2013.
- 2.6 Housing benefit overpayment debt reduced from £10.3 million in April 2012 to £9.8 million in March 2013. This is the first year in which overpayment debt has fallen since the onset of the financial crisis.
- 2.7 The number of people opting to pay council tax by direct debit continues to increase, as illustrated in the table below. Nearly 85 per cent of people who do not pay by direct debit now have a 1st of the month payment profile.

	April 2012	April 2013
Accounts for which payments are required (excludes maximum council tax support accounts)	102,380	105,615
No. of accounts paid by direct debit	62,875 (61.4%)	66,093 (62.6%)
No. of non-direct debit accounts with a 1 st of the month payment date	30,078 (80.4%)	33,347 (84.4%)

3. Results of consultation undertaken

3.1 No consultation has been undertaken.

4. Timetable for implementing this decision

4.1 Not applicable.

5. Comments from Director of Finance and Legal Services

5.1 Council tax is an important source of income for the city Council. Each Extra 1% of council tax collected amounts to approximately £1 million in revenue to the Authority.

5.2 There are no legal implications arising from this report.

6. Other implications

None

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / LAA (or Coventry SCS)?

The effective collection of Council Tax, Business Rates and other corporate revenue is crucial to maximising the use of Council resources.

6.2 How is risk being managed?

Monthly reporting to Finance and Legal Services Management Team, Cabinet Member and Shadow Cabinet Member.

6.3 What is the impact on the organisation?

None

6.4 Equalities / EIA

No equality impact assessment has been carried out as the recommendations do not constitute a change in service or policy

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

None

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