
Cabinet Member Strategic Finance and Resources

June 2014

Name of Cabinet Member:

Cabinet Member (Strategic Finance and Resources) – Councillor Gannon

Director Approving Submission of the report:

Executive Director of Resources

Ward(s) affected:

All

Title:

Performance within the Revenues Service for the period April 2013 – March 2014

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 2013/14. The revenues service is responsible for the collection of more than £105 million of Council Tax from 136,000 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 95.6 per cent of Council Tax, 97.8 per cent of Business Rates and reduced Council Tax arrears by 37.8 per cent during 2013/14.

The service has also reduced the level of corporate debt outstanding for more than six months and maintained the level of housing benefit overpayment debt in 2013/14.

Recommendations:

The Cabinet Member is requested to:

- 1) Note the performance of the revenues service for the period 1 April 2013 to 31 March 2014;
- 2) Agree to receive a further report at the meeting of 21 October 2014 to provide an update for the period April 2014 to September 2014.

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 2013 – March 2014

1. Context (or background)

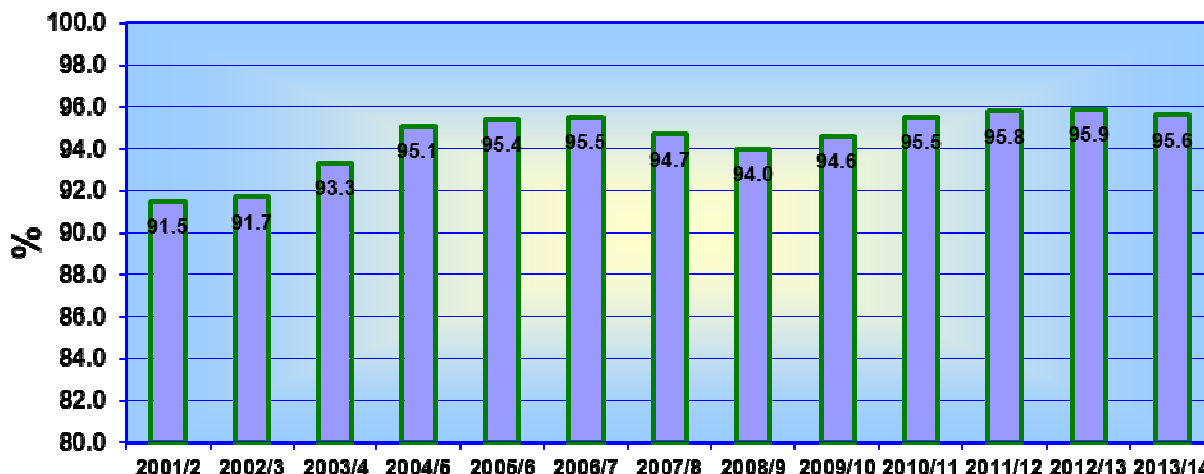
The purpose of this report is to update the Cabinet Member (Strategic Finance and Resources) on performance and developments within the revenues service during the financial year 2013/14. The revenues service is responsible for the collection of more than £110 million of Council Tax from 136,000 domestic properties, more than £119 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 95.6 per cent of Council Tax for the period 2013/14 which is only (£350k) short of the 96.0 per cent operational target for the period. More than £105 million was collected which is a 4 per cent (£4 million) increase on the amount collected in 2012/13. Early indications are that nationally collection rates have reduced, due to the changes in Welfare Reform. The collection target for 2014/15 remains 96.0 per cent.

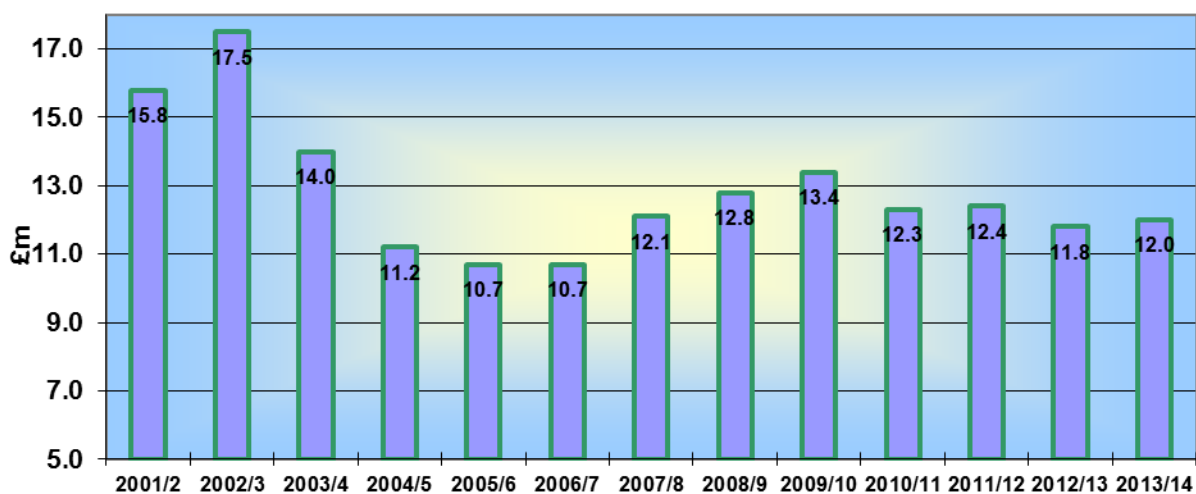
Figure 1 – Council Tax in-year collection rate by year



2.2 At 1 April 2013, £11.8 million of council tax was due for previous years (prior to 1 April 2013). By the end of March 2014 this balance had been reduced by 37.8 per cent to £7.3 million which is 2.2 per cent short of the operational target of a 40 per cent reduction in council tax arrears.

2.3 The arrears figure carried forward, which includes £4.7 million of 2013/14 charges uncollected at 31 March 2014, is £12 million. This is £0.2 million higher than the £11.8 million balance carried forward at the end of 2012/13. The target for 2014/15 remains at a 40 per cent reduction in the £12 million outstanding as at April 2014.

Figure 2 – Council Tax arrears outstanding by year



2.4 The revenues service collected 97.8 per cent of business rates in 2013/14 against an operational target of 98.5 per cent. The £116 million collected represents a 2.5 per cent (£3 million) increase on the amount collected in 2012/2013. This increase is of major importance as 50% of any increase is now retained by Coventry City Council. The operational target for 2014/15 remains at 98.5 per cent.

2.5 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.

2.6 During 2013/14 the revenues service reduced the level of corporate income owing to the Council for more than six months from £0.88 million in April 2013 to £0.81 million at the end of March 2014, whilst also converting to the Agresso system.

2.7 Housing benefit overpayment debt increased slightly from £9.9 million in April 2013 to £10.08 million in March 2014. The target was for the debt to remain at £9.9 million this is £180k over target.

2.8 The number of people opting to pay council tax by direct debit has reduced slightly by just over 1 per cent, as illustrated in the table below. Over 88 per cent of people who do not pay by direct debit now have a 1st of the month payment profile.

	April 2013	April 2014
Accounts for which payments are required (excludes maximum council tax support accounts)	105,615	105,085
No. of accounts paid by direct debit	66,093 (62.6%)	64,676 (61.5%)
No. of non-direct debit accounts with a 1 st of the month payment date	33,347 (84.4%)	35,649 (88.2%)

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 Executive Director Resources

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 Resources 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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