
Cabinet Member (Strategic Finance and Resources
Scrutiny Coordination Committee)

5th December 2012
12th December 2012

Name of Cabinet Member:

Cabinet Member (Strategic Finance and Resources) – Councillor Duggins

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 – September 2012

Is this a key decision?

No

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 period 1 April 2012 to 30 September 2012. The revenues service is responsible for the collection of more than £106 million of council tax from 134,000 domestic properties, more than £117 million of non-domestic rates from 8,000 properties and more than £90 million of corporate income. At the half year stage the service has collected 55.4 per cent of council tax and 58.6 per cent of business rates and has made significant progress in reducing the amount of corporate debt which is more than six months old. The service is projected to collect 96 per cent of council tax and 98 per cent of business rates by the end of March 2013.

Recommendations:

The Cabinet Member is requested to:

- 1) Note the performance of the revenues service for the period 1st April 2012 to 30th September 2012;
- 2) Agree to receive a further report at the first meeting of the new municipal calendar 2013/14 to provide a review of the performance for April 2012 to March 2013.

The Council's Scrutiny Co-ordination Committee is requested to:

- 1) Consider whether there are any comments/recommendations that they wish to make to the Cabinet Member

List of Appendices included:

None

Other useful background papers:

None

Has it or will it be considered by Scrutiny?

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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 – September 2012

1 Context (or background)

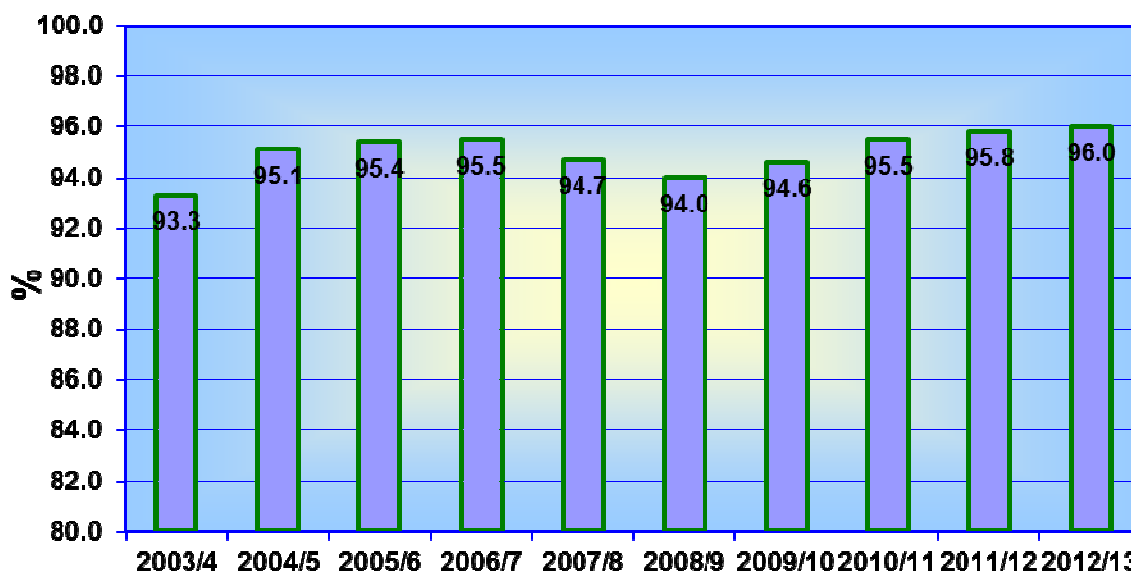
1.1 The purpose of this report is to update the Cabinet Member (Strategic Finance and Resources) on performance and developments within the revenues service during the period April 2012 to September 2012. The revenues service is responsible for the collection of more than £106 million of Council Tax from 134,000 domestic properties, more than £117 million of non-domestic rates from 8,000 properties and more than £90 million of corporate income.

2 Performance Update

Council Tax

2.1 As at 30 September 2012 the revenues service had collected £59 million (55.4 per cent) of the in-year collectible council tax for 2012/13. At the same point in 2011/12 the service had collected £58.2 million. The projected collection rate at year end in March 2013 is 96 per cent. The operational target for the service is 96 per cent collection and this would represent a continuation of recent year-on-year improvements in the collection rate as illustrated in figure 1 below.

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



2.2 The amount of council tax arrears has reduced by 21.8 per cent from £12.4 million at the beginning of April to £9.7 million at the end of September. The service is endeavouring to maximise the collection of prior year Council Tax Arrears, whilst maintaining continuous performance improvement to in year collection. The current operational target of 40 per cent is a stretching target in the current economic climate.

- 2.3 The transfer of the council tax telephone enquiry service took place on 4th September into the Contact Centre as part of the 'abc' Customer First migration project. A review of overall Council Tax collection performance will be included in the Revenues Annual Report due at the first meeting of the new municipal calendar in 2013

Business Rates

- 2.4 The revenues service has collected just under £69m (58.6per cent) of in-year collectible business rates and the service is projected to collect the target of 98 per cent of business rates by the end of March 2013. Achievement of this target would represent a significant achievement in the current economic climate which is challenging for local businesses.

Corporate Income

- 2.5 The Corporate Income Team is responsible for 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 The operational target for the Corporate Income team is to reduce the amount of corporate debt which is more than six months old to less than £800,000 million by the end of March 2013. As at the end of September 2012 the service debt over six months stands at £1.14m and continues to reduce.

Housing Benefit Overpayment Debt

- 2.7 The level of housing benefit overpayment debt outstanding has increased, from £10.15 million at the beginning of April to £10.55 million at the end of September.
- 2.8 As at 30 September 2012, 55 per cent (£5.8 million) of the total debt outstanding is actively being repaid either through deduction from on-going benefit entitlement or from arranged payment instalments.
- 2.9 The service is conducting a detailed review of existing outstanding debt and continues to review working practices to ensure that recovery of debt is maximised. The service has had approval to recruit agency staff to help with the increase in workload. Cases are now being produced for action through the County Court
- 2.10 Approximately 90 per cent of overpayments created are due to an error or a delay by the benefit claimant. The service is projecting to remain below threshold, for the fifth consecutive year, for overpayments caused by a delay or an error by the Local Authority (LA). The Council therefore remains on target to receive 100 per cent subsidy on LA error overpayments.

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

The duty under section 149 of the Equality Act 2010 is not affected by the matters set out in this report as the recommendations do not constitute a change in policy or service.

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

None

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