

REPORT

To: POLICY & RESOURCES (FINANCE & CUSTOMER SERVICES) SUB COMMITTEE		Subject: PAYMENT OF LOCAL TAXATION & BENEFIT UPDATE
From: HEAD OF REVENUE SERVICES		
Date: 3 February 2012	Ref:- AC/BC UPDATE JANUARY 2012	

1 Introduction

1.1 This report provides an update on the payment performance for Council Tax and Non Domestic Rates and the administration of Housing / Council Tax Benefit.

2 Council Tax

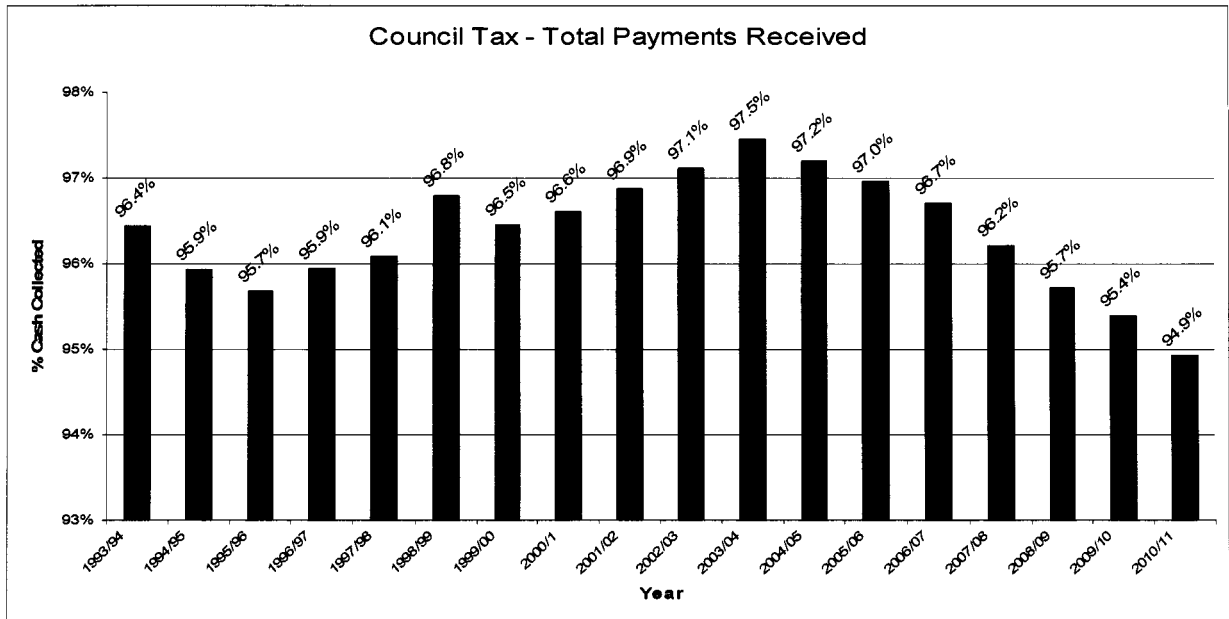
2.1 *Current Year:* Details of the amount of Council Tax paid for the current year, 2011/12, together with comparable figures for the same period for the last financial year are shown below (Table 1). This shows a performance of 90.7% at the end of January 2012 compared with 90.7% for the same period last year. Given the current economic situation it should be noted that our recovery is holding up well.

Table 1

Council Tax Payment Performance			
	Current Year 2011/12	Previous Year 2010/11	Movement
April	8.0%	8.7%	-0.7
May	16.7%	16.6%	+0.1
June	26.5%	26.6%	-0.1
July	35.3%	35.6%	-0.3
August	44.8%	44.9%	-0.1
September	53.8%	54%	-0.2
October	63.2%	63.1%	+0.1
November	72.1%	72.5%	-0.4
December	81.7%	82.9%	-1.2
January	90.7%	90.7%	-

2.2 *Previous Years:* Since April 2011 a further £2.9m has been collected for prior years improving the collection performance of these years. Graph 1 shows the total percentage recovered for Council Tax for each prior year and highlights that 12 of the 18 previous years have now exceeded 96% payment levels, and 4 years having now achieved over 97%.

Graph 1



3 Non Domestic Rates

3.1 Table 2 indicates that payments made up to January 2012 are at 87.6% compared with 88.1% for the same period last year, a decrease of 0.5% on the same time last year.

This compares favourably with our normal collection at this time particularly given the prevailing economic conditions.

Table 2

Non Domestic Rates Payment Performance			
	Current Year 2011/12	Previous Year 2010/11	Movement
April	0.3%	0.1%	+0.2
May	7.5%	6.7%	+0.8
June	15.1%	14.1%	+1.0
July	24.3%	23.5%	+0.8
August	32.5%	30.3%	+2.2
September	54.0%	53%	+1.0
October	62.6%	61.8%	+0.8
November	70.6%	70.5%	+0.1
December	79.9%	79.0%	+0.9
January	87.6%	88.1%	-0.5

4 Benefits Update

4.1 Table 3 shows the total benefit awarded at January 2011 and January 2012 which has decreased by 0.8% for Council Tax and increased 3.2% for Rents.

Table 3

Benefit Awarded 1 st April – 7 th January 2012			
	Current Year	Previous Year 2010/11	Movement
Rent (year to date)	£83.3m	£80.7m	£2.6m
Council Tax (annual)	£26.3m	£26.5m	-£0.2m

4.2 The Right Time Indicator – This indicator shows the average number of days taken to process a new claim or changes in circumstances.

2011/12 – Year to Date average for April 2011 – January 2012 = 10.2 days.

2010/11 – Year to Date average for April 2010 – January 2011 = 10.6 days.

There has been an improvement of 0.7 days on processing times since last year, despite a 14% increase in claims from 83,575 for the period 1/4/10 – 31/12/10 to 95,243 for the period 1/4/11 – 31/12/11.

5 Welfare Reform Changes

5.1 Welfare Reform Changes – As previously advised it is the Government's intention to bring non-dependant deductions up to current levels since they had not been amended since 2001. Accordingly last year they were increased by 27% rather than the normal inflationary update.

From April 2012 they will again be increased by 22% & 15% rather than the current inflationary change of 5% for Housing Benefit and Council Tax Benefit respectively.

This affects the current caseload as follows:

Type of Claim	No of Cases Affected	Amount of Benefit Reduced per Annum	Average Additional Net Liability per Annum
Housing Benefit	1,114	180,000	161.58
Council Tax	1,247	55,000	44.11
	Total	235,000	

6 Community Charge

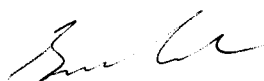
- 6.1 Community Charge - The outstanding debt for Community Charge at 31/3/2011 amounted to £26,682,528 which is approximately 10% of the total charges raised during the 4 years that Community Charge operated.

The Council has provided a 100% bad debt provision for the total outstanding amount, therefore any further recoveries are additional income.

During the first 10 months of the current year, ie, April 2011 – January 2012, a further £54,848 has been paid.

7 Recommendation

- 7.1 Members are asked to note the report.



Head of Revenue Services

Members wishing further information please contact Mr Brian Cook, Head of Revenue Services, Tel: - 01698 – 403929.