

REPORT

To: POLICY & RESOURCES (FINANCE) SUB COMMITTEE		Subject: COUNCIL TAX COLLECTION ARRANGEMENTS & PERFORMANCE UPDATE
From: DIRECTOR OF FINANCE		
Date: 4 May 2005	Ref: TC/CC/R/CNL TAX PROGRESS	

1 Introduction

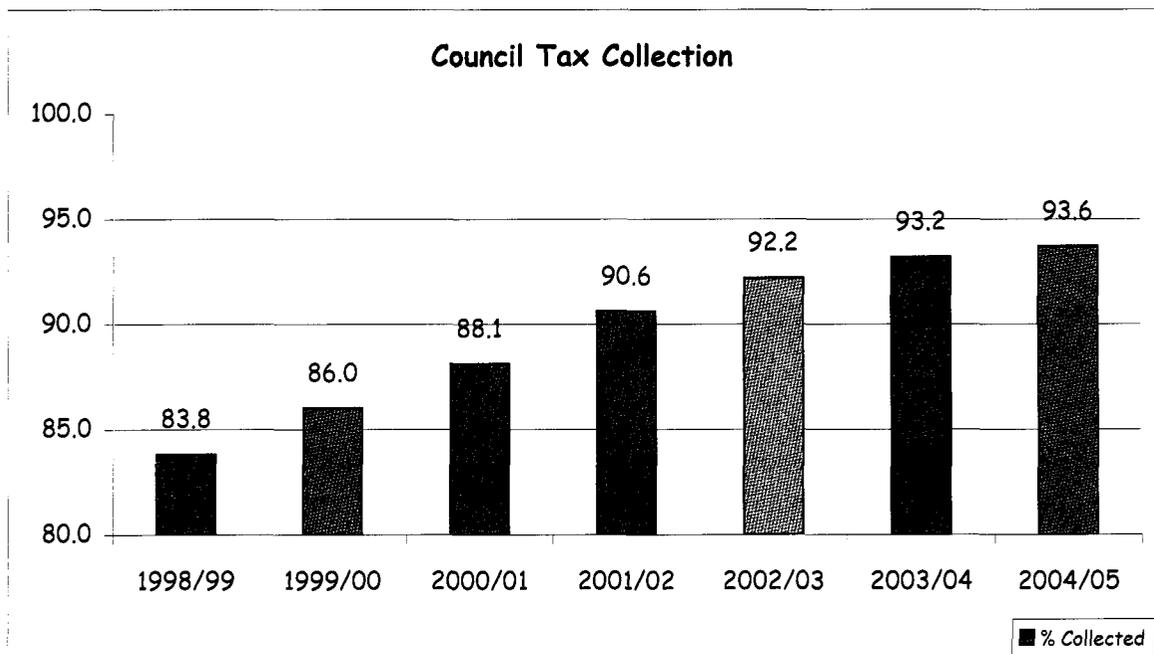
The purpose of this report is to advise of Council Tax performance for 2004/05 and report on actions taken to aid recovery.

2 Performance

2.1 Council Tax 2004/05

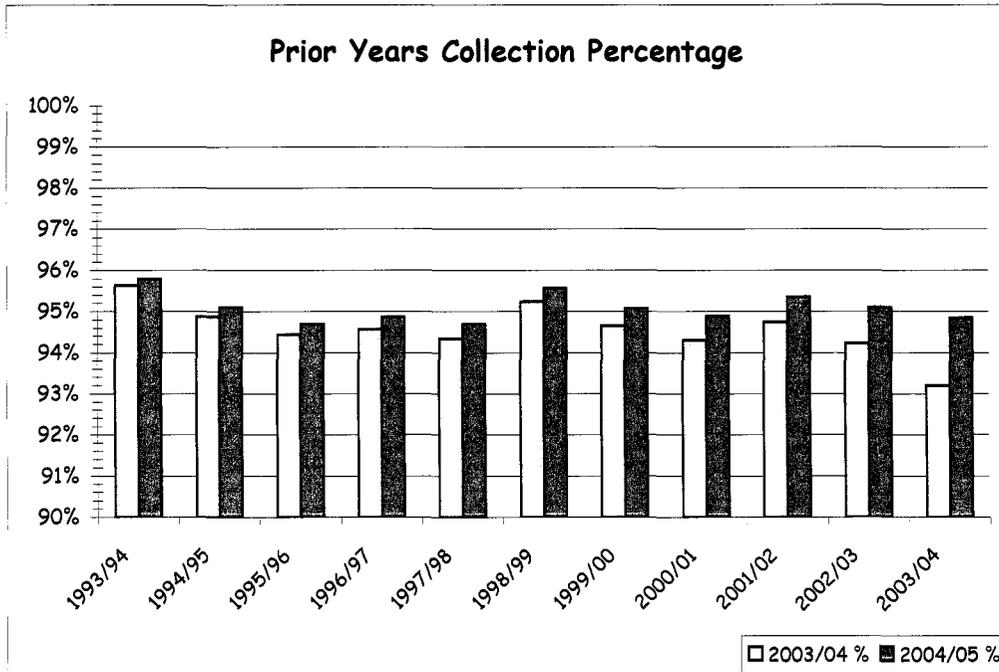
The level of in-year collection of Council Tax for 2004/05, has as in previous years continued to rise, with an in-year collection of 93.6%, a 0.4% improvement on the previous year. This represents a 9.8% improvement from 83.8% in 1998/99 to 93.6% in 2004/05.

Graph 1.



2.2 In addition to improvements in the in-year collection totals, earlier years have also benefited from additional recovery, Graph 2 shows the total percentage of Council Tax collected for the financial years from 1993/94 to 2003/04 as at 31 March 2004 and 31 March 2005.

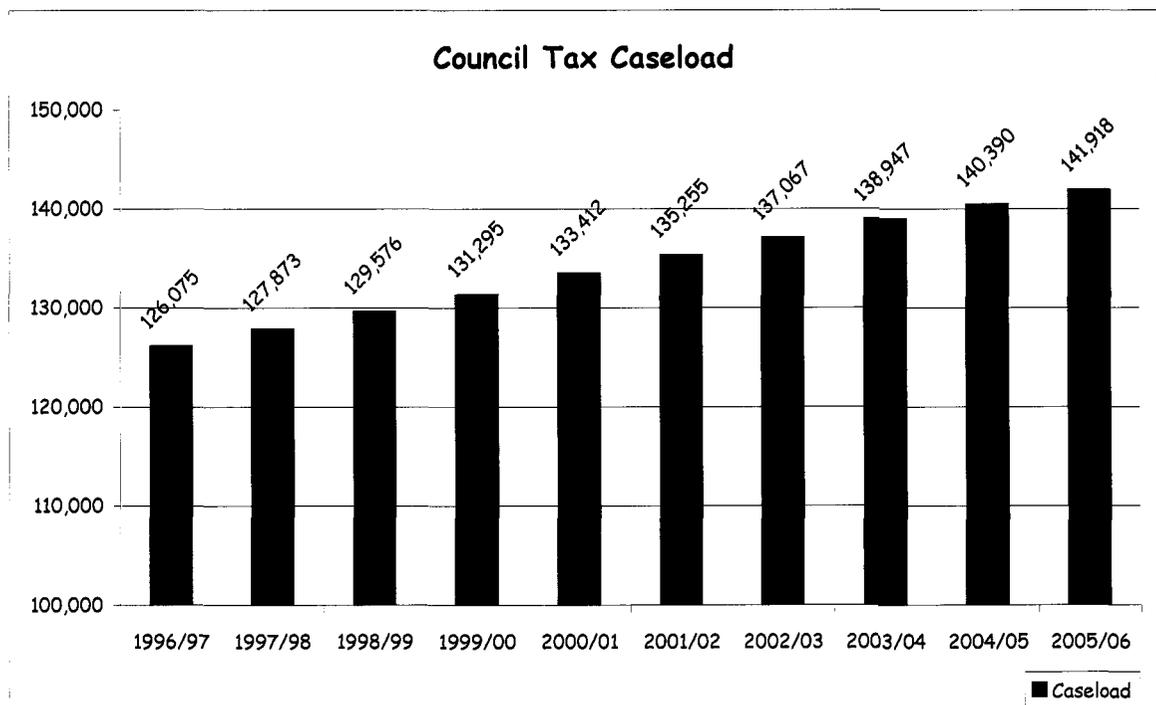
Graph 2



3 Number of Properties

The number of properties on the Council Register has reached 141,918 an increase of 15,843 (12.6%) since April 1996.

Graph 3.



4 Correspondence

During the year there have been a total of 155,976 items of mail recorded and dealt with on the Council Tax Electronic Document System, 97.5% being dealt with within 5 days and 99% within 10 days.

5 Direct Debit Telephone Payments

The continuation of the Prize Draw along with advertising and awareness promotions in all mail and telephone contact with the public has resulted in a further 3,484 Direct Debit payers, an increase of 8%, bringing the total to 48,497.

6 Reduction in Follow-Up

As a result of improved in-year collection we are continuing to see year on year reduction in cases which require follow-up. There has been a 14.5% reduction in the issue of Reminders from 122,382 to 91,751. In addition the number of Warrants obtained has fallen by 9% from 52,304 to 47,510.

7 Debt Recovery

With the success of our recovery initiatives the periodic review of arrangements are now being undertaken by the area based teams.

This approach will allow the public easier access to appropriate staff to deal with enquiries should this be necessary, and it has freed up some resource to allow the Debt Recovery Team to take a more pro-active approach on the more significant debt, in particular the '*Can Pay Wont Pay*' debtor.

Accordingly, the information contained on the Council Tax system allowed the identification of payers in arrears who own their own home. In addition to normal follow-up we have written to them on at least 2 occasions to invite them to discuss the arrears. However, if they have not responded with an appropriate arrangement we have considered sequestration where appropriate, to protect the Council's interest.

The exercise commenced around the spring of 2004 and to date 591 cases with debt of £4.2m have been identified and payments of over £600,000 have been received.

Examples of Cases

Case 1:-

Mrs A had a total debt of £8,141.52, since 1995, she has now entered into a Debt Arrangement Scheme (DAS) and has agreed to pay £478.91 per month to her arrears, in addition to her monthly payment of £123.00 for her current year 2005/06 liability.

Case 2:-

Mr B had built up considerable arrears since 1994 amounting to £8,526.76. After meeting the Debt Recovery Staff he paid the total outstanding debt of £8,526.76 in full.

Case 3:-

Mr C had built up debt amounting to £7,218.19. He has now paid £3,000 with an arrangement to pay £1,406.06 per month for the balance.

8 Recommendation

Members are asked to;

- 1) Note the improvement in Council Tax collection
- 2) Note the continued actions for recovery by the Debt Recovery Team.

A handwritten signature in black ink, appearing to read 'Anti-Live', written in a cursive style.

Director of Finance

Members wishing further information should contact Mr B Cook, Head of Revenue Services,
Tel:-01698 - 302801.