

# REPORT TO EXECUTIVE

**PORTFOLIO AREA: Policy, Performance, Management, Finance and Resources.**

**Date of Meeting:** 7 July 2003

**Public**

**Key Decision:**

**No**

**Recorded in Forward Plan:**

**No**

**Inside/ Policy Framework**

**Title:** PROVISIONAL OUTTURN POSITION 2002/03 FOR COUNCIL TAX AND NATIONAL NON-DOMESTIC RATES

**Report of:** Head of Revenues & Benefits Services

**Report reference:** RB10/03

## Summary:

The Head of Revenues & Benefits Services to report and comment on the provisional outturn position for Council Tax and NNDR.

## Recommendation:-

Members are asked to note the provisional outturn position at 31 March 2003 for Council Tax and NNDR which indicates that year on year improvements on collection performance are being maintained.

**Contact Officer:** P Mason

**Ext:** 7270

CITY OF CARLISLE



To: The Executive RB10/03

Date: 7 July 2003

## PROVISIONAL OUTTURN POSITION 2002/03

### FOR COUNCIL TAX AND NATIONAL NON-DOMESTIC RATES

#### **1. INTRODUCTION**

1.1 The aim of this report is to:

- i. Advise Members of the current position on the 2002/03 Council Tax and Business Rates Accounts i.e. the total value of accounts raised and how much has been collected in the 2002/03 financial year.
- ii. Highlight and explain any variances against the expected (or budgeted) position. Also other factors that might be of interest to Members representing Carlisle Council Tax payers.

#### **1. COUNCIL TAX PROVISIONAL OUTTURN AS AT 31 MARCH 2003**

1. At Appendix 1 is detailed the provisional outturn position for Council Tax for 2002/03 and the outstanding arrears 1993/94 to 2001/02.

2.2 The estimated outturn suggests potentially better than expected collection rates. The Council budgeted for a 2.0% loss on collection and liability (£698,765) for 2002/03 whereas if the collection pattern for recovering 2002/03 arrears follows that of previous years (based on 1993/94 position), losses on collection will be restricted to approximately 1% (£349,382). A 99% collection rate of net Council Tax liability raised is on a par with the collection levels experienced by the Council under the old General rates system.

3. Year-end arrears of £1,148,886 for 2002/03 equating to 3.4% of debit collectable shows a steady year on year improvement on the position as at 2001/02 (3.6%) despite the continuing impact of the Benefit Verification Framework on Council Tax administration.
4. Overall, the provisional outturn suggests a very successful year in administering Council Tax especially when it is considered that very considerable key staff resources had to be targeted at restructuring the Unit i.e. better focusing resources on Service delivery and Customer Contact.

#### **2. NNDR PROVISIONAL OUTTURN AS AT 31 MARCH 2003**

1. At Appendix 2 is detailed the NNDR provisional outturn for 2002/03.
2. Year-end arrears at £554,211 equating to 2.3% continues the marked year on year improvement when compared with the figures for 1999/2000 i.e. £934,959 (4.7%), 2000/01 i.e. £900,066 (3.8%) and 2001/02 i.e. £796,112 (2.9%). However over the next few years arrears levels could fluctuate as the City expands. Industrial estates such as Kingmoor Park have yet to be fully developed and rated. If the Valuation Officer advises the Council of such



Rating Assessments late in the financial year it is often too late to get the resulting rates liability paid (often amounting to £100,000 plus per hereditament) resulting in significant additional year end arrears.

### **3. COMMUNITY CHARGE ACCOUNTS**

1. Although Community Charge Accounts have been closed down, outstanding liability is still being recovered and £1,216 was recovered in 2002/03 and will be available for distribution to Council Tax Payers as part of the surplus distribution.

### **5. CONSULTATION**

1. Consultation to Date.
2. Consultation proposed.

### **6. STAFFING/RESOURCES COMMENTS**

Not applicable

### **7. HEAD OF FINANCE'S COMMENTS**

Not applicable

### **8. LEGAL COMMENTS**

Not applicable

### **9. CORPORATE COMMENTS**

Not applicable

### **10. RISK MANAGEMENT ASSESSMENT**

Not applicable

### **11. EQUALITY ISSUES**

Not applicable

### **12. ENVIRONMENTAL IMPLICATIONS**

Not applicable

### **13. CRIME AND DISORDER IMPLICATIONS**

Not applicable

### **14. RECOMMENDATIONS**

Members are asked to note the provisional outturn position at 31 March 2002 for



Council Tax and NNDR which indicates that year on year improvements on collection performance are being maintained.

## **15. REASONS FOR RECOMMENDATIONS**

Not applicable

P MASON

Head of Revenues & Benefits Services

Contact: P Mason – 2170

Revenues & Benefits

Carlisle

25 June 2003

PM/EL/RB10/03



## APPENDIX 1

COUNCIL TAX PROVISIONAL OUTTURN 2002/03		
	Council Tax	Costs
	£	£
Arrears b/f at 01.04.2002	£2,093,430	£210,334
Net changes in Debit	-£82,857	£16,886
Costs Raised (Net of Write Offs)		£17,165
Net Debit	£2,010,573	£244,385
Write Offs	-£111,223	
Payments Net of Refunds	-£941,507	-£105,556
Arrears c/f 1993/94 to 2001/02	£957,843	£138,829
2002/03		
Opening Debit	£39,168,562	
Changes in Liability		
Costs Raised (Net of Write Offs)		£102,975
General	£304,633	
Exemptions	-£1,351,277	
Disabled Relief	-£25,772	
Discounts	-£3,856,619	
Net Debit	£34,239,527	£102,975
Income		
Rebates	-£4,070,617	
Payments Net of Refunds	-£29,008,403	-£51,045
Total Income	-£33,079,020	-£51,045



Write Offs	-£11,621	
Arrears c/f	£1,148,886	£51,930
Total arrears c/f 1993/94 to 2002/03	£2,106,729	£190,759

**APPENDIX 2**NATIONAL NON-DOMESTIC RATESPROVISIONAL OUTTURN 2002/03Debit Costs

£ £

Net Arrears b/f 796,112 8,892

Gross Debit 2000/01 26,506,521

## Adjustments to Debit

- Empty and Exemption (1,090,378) 9,370

- Charity Relief (1,222,668)

- Write-Offs (214,194)

- Hardship Relief (29,609)

- Partial Occupation (118,567)

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Net Debit 24,627,217 18,262

## Income

Charity Relief from General Fund (64,809)

Hardship Relief General Fund (1,446)

Interest on Overpayments (269,860)

Cash Received Net of Refunds (23,736,891) (12,441)



Total Income 24,073,006 (12,441)

Arrears Carried Forward

to 2003/04 554,211 (5,821)

Arrears as % of 2002/03

Net Debit (2.3%)

Revenue & Benefits

Carlisle

25 June 2003

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