

COUNCIL TAX COLLECTION PERFORMANCE

1 Purpose

- 1.1 This report seeks to give Members more of an insight into the current performance of the Council Tax department. It is also intended to give an update and assurances about how this key area of incoming revenue, with high levels of customer interaction is continuing to develop.

2 Recommendations/for decision

- 2.1 The committee is asked to:
- a. Note the actions being taken to improve collection rates in AVDC.
 - b. Recommend any further cost effective action that the Council can take to improve Council Tax collection rates.

3 Supporting information

- 3.1 In 2018, AVDC was tasked with the collection of £143,466,236 in council tax, the significant majority of which then passes on to the Buckinghamshire County Council, the Police and Fire services and parish/town councils.
- 3.2 Any council tax that is not collected “in year” will normally be collected within the first few months of the following financial year, with under 1% of council tax due having to be written off or collected in the following years.
- 3.3 In recent years, national council tax collection rates have fallen and AVDC was no exception to this trend. This year our collection rate was 98.76%, a healthy increase on 2017/18 final collection figure of 98.45%.
- 3.4 Despite the challenging financial environment, in 2018/19 AVDC also collected over £2 million in previous year debt. This was a substantial increase on the last two years collection for old debt, in 2016/17 the figure collected was £525,016 and in 2017/18 the amount collected was £300,012.
- 3.5 The main factors having an impact on performance at AVDC and nationally are legislative change and the impact of austerity and changes to DWP benefit.
- A change in Government regulations in 1st April 2013 has allowed people liable to pay council tax the right to pay by 12 instalments instead of the previous 10. Due to this, any slight delay or default in payment gives the Council little or no chance to take recovery action before the end of the financial year meaning that the “in year” recovery rate is reduced.
 - The austerity factor has meant that some residents have found it difficult to manage their finances, even where their annual income is too high for them to qualify for support, they can experience short term cash-flow problems and paying their council tax instalment can be low on their list of priorities.
 - The introduction of Universal Credit to AVDC in September 2018, has affected our residents and can often result in funds being unavailable to make their monthly council tax payments, we have worked hard as a team to ensure our customers are made aware of the changes and have provided

avenues of support and guidance to staff and residents on how these changes would/could affect ability to pay.

- 3.6 AVDC runs its own Council Tax Reduction Scheme granting £8,212,099 in 2018/19 to people who were struggling to pay their council tax and are on a low income. We also have access to £200,000 in discretionary fund. Both schemes have traditionally been used to support people who cannot pay, rather than those people who just choose to prioritise other expenditure over paying their council tax. During 2018/19 we used some of the discretionary fund to assist with a small group of residents who had found themselves in large debt and were facing the situation of not being able to maintain their rental liabilities.

4. Mitigating actions

- 4.1 A new temporary banding procedure for new build properties was introduced in May 2018, ensuring residents are provided with a council tax demand notice promptly to avoid them having to catch up on payments. When a property is set up on Northgate, we would wait for the official band to be provided by the valuation office agency before sending the resident a bill. This can sometimes take up to six months, leading to a build-up of arrears before the customer has even been provided with instalments. By the introduction of a temporary banding policy, the customer receives manageable instalments which are easier to maintain and will assist us with achieving our collection rate.
- 4.2 Single Persons Discounts (SPDs) represent the largest area of discount awarded in respect of council tax, with over 23000 households claiming the 25% discount. In October 2018 AVDC instructed an independent company to carry out a review of all residents in receipt of the discount. The review completed on the 25 May 2019 and has resulted in the removal of 1,100 discounts and an additional £412,330 in collectable revenue across the district.
- 4.3 With the arrival of Universal Credit and the changes to the way DWP pay benefits to customers, AVDC looked at different ways to assist our residents with making payments of council tax. Direct Debit is the cheapest option for the authority to collect monthly instalments, a report was written to implement 4 additional dates for this method of payment. Following approval, AVDC can now offer its residents a selection of 6 available dates throughout the month for those residents wishing to set up a Direct Debit.
- 4.4 Additional training has been provided to staff to ensure they are maximising collection, ensuring accuracy is maintained and correct notifications are issued to our residents first time. The removal of summons in 2017/18 due to inaccuracy was on average 20-22% for each court hearing, the delivery of training and improvements to accuracy in 2018/19 has resulted in the removal of notices reducing to 2-3% in respect of recent court hearings.

5. Our commitment

- 5.1 To provide assurances that the department are fully committed to performing well and are committed to achieving our collection targets for 2019/20.
- 5.2 To continue to achieve outstanding results in preparation for the new Buckinghamshire Council, building strong solid relationships with our

residents and internal/external colleagues to ensure improvements to collection is maintained.

- 5.3 Customer Fulfilment will continue to look for improvements to service delivery ensuring we achieve our collection rate for the year ahead, making numerous changes to the way we work this year has resulted in a strong result for 2018/19, we look to strengthen our department to continue to deliver an exceptional service for our residents and to grow our collection rates for 2019/20.

6. Resource implications

- 6.1 By ensuring we are working proactively and using a streamlined process we can enhance the customer experience without increasing staff levels, whilst maximising the potential for revenue collection.

Background Documents: None.

Contact Officer: Lorraine Marshall (01296) 585296