

**Committee:** Finance and Administration

**Agenda Item**

**Date:** 25 September 2008

**6**

**Title:** Revenue Collection

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Item for  
information

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### Summary

The content of this report highlights the Council's revenue collection position.

### Recommendations

That the content of the report is noted.

### Background Papers

Various reports from the Council's Revenues and Benefits system.

### Impact

Communication/Consultation	None
Community Safety	None
Equalities	None
Finance	The Council set the level of Council Tax and received equivalent details from precepting authorities earlier this year. Potential for impacting upon the Council's General Fund.
Human Rights	None
Legal implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

### Situation

- 1 The Council is due to collect approximately £42,716,000 of Council Tax from approximately 33,000 households during 2008/09. Tax collection is carried out on behalf of all precepting authorities, such as the County Council, as well as for this Council itself. The rate of collection during 2007/08 was the highest amongst collection authorities in Essex. This is illustrated below:

<u>Authority</u>	<u>Collection rate (%)</u>
Uttlesford	99.1
Rochford	98.9
Castle Point	98.8
Maldon	98.8
Chelmsford	98.6
Brentwood	98.6
Braintree	98.5

Revenue Collection  
Finance and Administration

Colchester	98.3
Epping Forest	98.1
Tendring	97.9
Basildon	97.5
Thurrock	96.0
Harlow	95.5

- 2 Members will be aware of the prevailing economic climate and difficulties experienced as a result of the “credit crunch”. It is possible that this may ultimately impact on the Council’s overall rate of revenue collection in 2008/09 and potentially beyond. It should be noted that Officers within Revenue Services have already reported a marked increase in Council Tax recovery action during April to August inclusive. This is illustrated below:

	<u>2007/08</u>	<u>2008/09</u>	<u>% increase</u>
Council Tax reminders issued	5,357	6,015	12
Liability orders issued	546	722	32
Number of bankruptcies reported	45	55	22

Recovery action to date would appear to be effective as the rate of collection is only 0.05% lower than this time last year (currently 49.27%). It should be noted that collection deficits are met from all precepting authorities based on their share of the total precepts in the year. It is therefore important to maximise the rate of collection. In light of the above Officers will continue to monitor the situation over the coming months and advise Members if the position changes.

- 3 Members should also note the number of claims for Housing and Council Tax Benefit has increased over the same period. Officers in the Council’s Benefits service have reported a rise in new applications and associated customer contacts. Caseload numbers are as follows:

<u>Month</u>	<u>Number of claims in payment</u>
March 2008	3,479
August 2008	3,685

The Council paid out approximately £12,200,000 in Housing Benefit during 2007/08 (subject to audit) and is profiled to pay out £13,300,000 in 2008/09. This is largely recovered from the Department of Work and Pensions through the Housing and Council Tax Benefit Subsidy arrangements.

### Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
The rate of collection falls	2	3	Council Tax recovery processes Regular management information and monitoring
Performance within the Benefits service deteriorates as a result of increased demand from customers	2	3	Regular management information and monitoring Voluntary Improvement Board

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.