

Meeting: Audit Committee **Date:** 13th December 2023

Wards affected: All Wards in Torbay

Report Title: Collection of Council Tax and NNDR

Cabinet Member Contact Details: Councillor Alan Tyerman, Cabinet Member for Finance, alan.tyerman@torbay.gov.uk

Director Contact Details: Malcolm Coe, Director of Finance Malcolm.coe@torbay.gov.uk

1. Purpose of Report

- 1.1 This report is in response to concerns raised at the July 2023 audit committee meeting regarding the collection of Council Tax, Non-Domestic Rates and corporate debt.

2. Introduction

- 2.1 As the billing authority, Torbay Council are responsible for the processing, calculation and collection of both Council Tax and National Non-Domestic Rates (NNDR) on behalf of all major preceptors and town councils.

3. Background

3.1 National Non-Domestic Rates

In respect of NNDR, the preceptors are Torbay Council, Central Government and Devon and Somerset Fire & Rescue Service.

The number of hereditaments currently on the NNDR Listing for the Torbay area is 5,639, with a total rateable value of £98.7m, and the estimated total collection for 2023/24 is £27.2m. The in-year NNDR collection rate for 2022/23 was 95.0%, compared to the pre-pandemic level of 95.4% in 2019/20, and is continuing to improve.

The total NNDR arrears as at 31st March 2023 were

Up to 1 Year	1.5m
1 to 3 Years	1.1m
Over 3 Years	1.2m
Total	3.8m

In addition to our normal recovery process, we are proactively engaging with our contracted Enforcement Agents in order to recover as much of this debt as possible.

3.2 Council Tax

For Council tax, the preceptors are Torbay Council, Devon & Cornwall Police and Crime commissioner, Devon and Somerset Fire & Rescue Service and Brixham Town Council.

The number of properties currently on the Council Tax Listing for the Torbay area is 68,482 and the estimated total collection for 2023/24 is £99.8m. The in-year Council Tax collection rate for 2022/23 was 95.4%, compared to the pre-pandemic level of 95.7% in 2019/20.

The total Council Tax arrears as at 31st March 2023 were

Up to 1 Year	5.4m
1 to 3 Years	5.9m
Over 3 Years	4.1m
Total	15.4m

We continue to be proactive with pursuing current, and historic, debt whilst being sensitive to the financial and economic pressure that our residents are under.

We have recently created a PowerBI report that structures the total debt by account number in order to target efforts on the highest debt and are investigating the options around external support to clear high volumes of low value debt to allow the Corporate Debt team to focus on the more complex and higher value debt.

4. Progress

- 4.1 There has been an historic backlog of Council Tax processing work which was mainly brought about by the need to administer numerous COVID and Cost of Living government grants and schemes to individuals and businesses since 2020/21. Following the

implementation of a specific work project to clear the backlog, including commissioning external support, the current processing time for Council Tax is now in the region of 8 weeks, down from a peak of 26 weeks.

4.2 Timely processing of Council Tax changes both provides a better service to our residents whilst also assisting with the collection of any subsequent debt due. To ensure that we maintain, and improve, on the current 8 weeks processing time, we are introducing a number of measures to improve efficiency and resident access to the service. These include:

- Moving to more front-end automation of data collection;
- Updating the website to ensure clear signposting of support available for residents;
- End to end process review to map out, and improve, the customer 'journey' and interactions across various council teams

4.3 There are planned improvements in terms of ensuring the capacity and expertise is at the right part of the resident's interaction with the Council. An example of this is to empower all Customer Support Advisors with sufficient training and knowledge to be able to answer a greater number of Council Tax enquiries at the first 'point of contact'. Currently, circa 41% of calls coming into the call centre are Council Tax related with the vast majority of such calls having to be deferred to the 'back office'. Our aim is to significantly reduce the volume of transactions going to the back office.

4.4. We have recently consulted on a proposed change to our Local Council Tax Support Scheme which will make it significantly easier for the public to understand and access the support they may be entitled to receive. This change will reduce the need for multiple in-year re-assessments and ensure that benefits due are processed in a much quicker and more efficient manner.

4.5 The Audit Committee's attention on this area was raised in response to an historic Internal Audit report within which there were a number of recommendations that had not been addressed by management. Along with the above mentioned improvements, significant progress has now been made in addressing the audit recommendations with a summary of progress evidenced as Appendix 1

Appendices

Appendix 1: DAP Debtors 2023-24 – Executive Summary