

Meeting: Audit Committee

Date: 24th July 2024

Wards affected: All Wards in Torbay

Report Title: Performance Update: Collection of Council Tax & Non-Domestic Rates

Cabinet Member Contact Details:

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1. Purpose of Update

- 1.1 At the meeting of the Audit Committee on 26 July 2023 concerns were raised regarding the collection of Council Tax, Non-Domestic Rates and corporate debt. In response the Director of Finance was asked to provide a report that set out the proposed mitigation, progress in implementing the required changes as a result of the Internal Audit and corresponding key performance indicators.
- 1.2 At the Audit Committee on 13 December 2023, the Director of Finance informed Members that following the implementation of a specific work project to clear the backlog of Council Tax processing, including commissioning external support, the current processing time for Council Tax was now in the region of 8 weeks, down from a peak of 26 weeks.
- 1.3 In addition, members requested a brief update at each meeting in order to continue monitoring progress.

2. Progress Update

- 2.1 An update will be provided at future meetings to keep committee members informed of the latest position on the following areas:
 - Council Tax Processing time
 - Council Tax and NNDR Collection Rates
 - Number of people in receipt of Council Tax Support
 - Total amount of Council Support paid

2.2 Section 3 provides details on the performance information detailed above. The initial update is seen as a starting point, and feedback on what has been provided and what additional performance measures would be beneficial to the committee in future performance reports is sought from members of the committee.

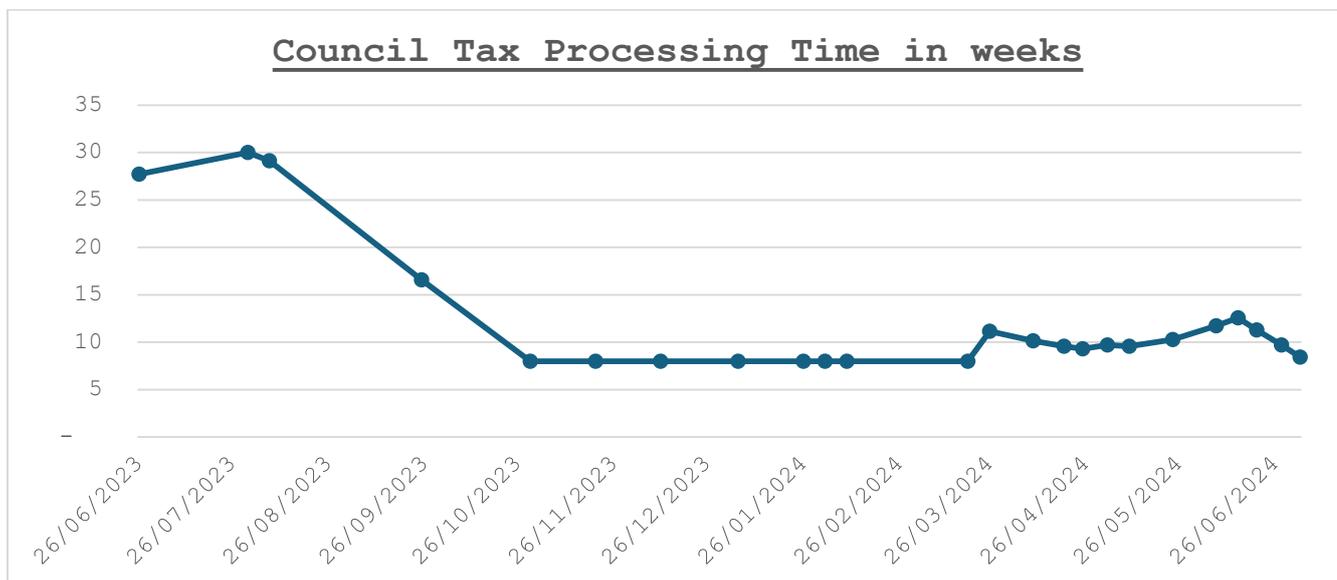
3. Performance Information

3.1 The latest information available in respect of the performance measures as detailed in 2.1 is provided below.

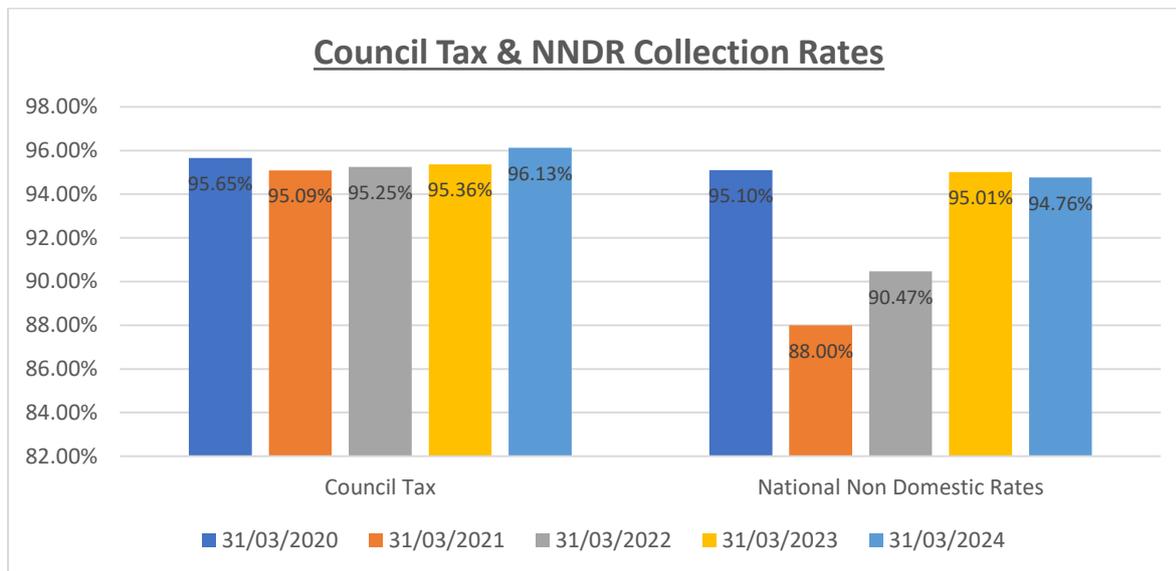
Council Tax Processing time

3.2 The graph below details the processing time for council tax from June 2023 to end of June 2024.

3.3 The graph shows that the processing time has reduced significantly from the peak of 30 weeks in July 2023 and had stabilised at 8 weeks from October 2023 to March 2024. At the end of March 2024, processing times increased to 12 weeks as expected due to the year-end billing process but have now been reduced once again to 8 weeks. The recovery of the processing times has been slightly longer than anticipated due to the additional work required for the implementation of the new Working Age Council Tax Reduction scheme (WACTR) and the preparation for the review of Single Person Discounts.

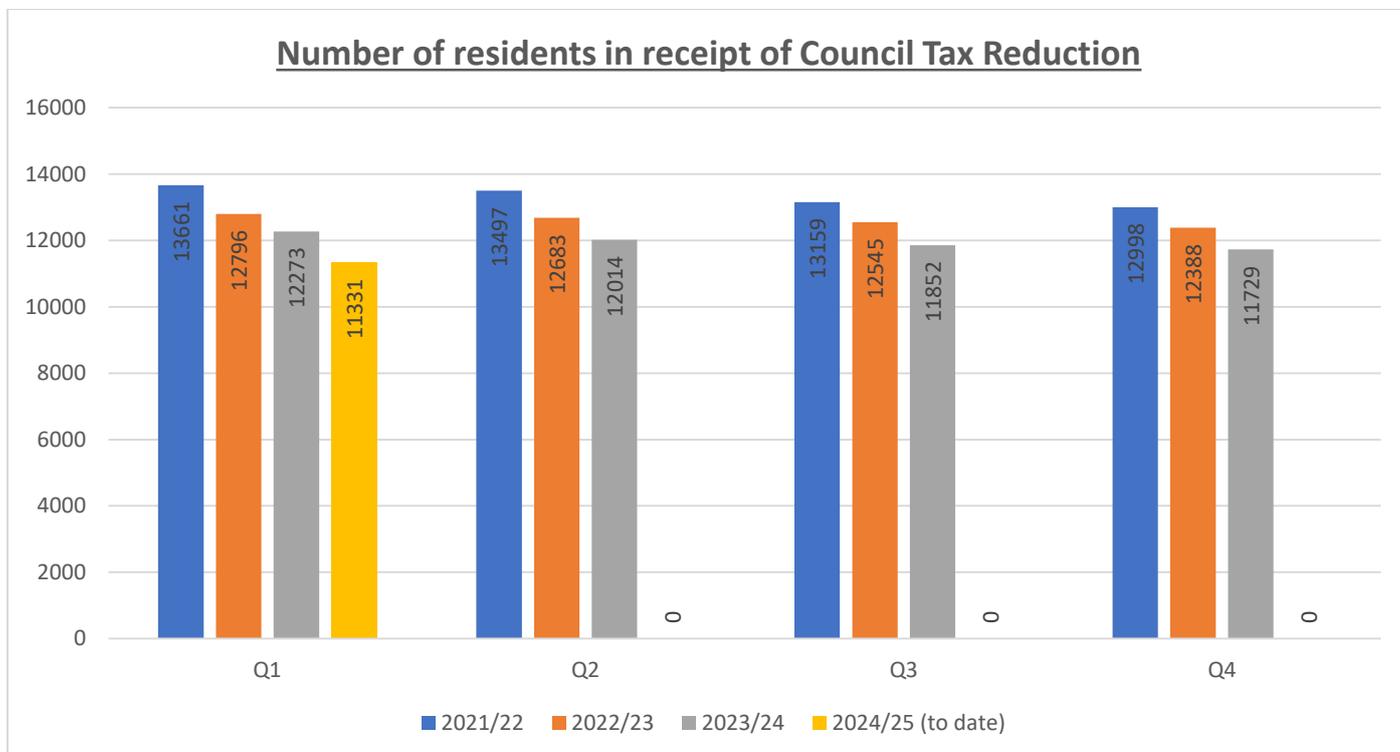


3.6 From the information that is available, the rate of collection for Council Tax across all years and all accounts for Q1 2024/25 is 23.18%, compared to 22.81% at the same point in 2023/24. At this stage of the year, we are forecasting an in-year collection rate of 96.1%. The Q1 collection rate for those in receipt of the Council's new WACTR scheme are broadly in line with overall collection rates at 22.76%. We will keep this under review at set points throughout the year.



Number of Residents in receipt of Council Tax Support

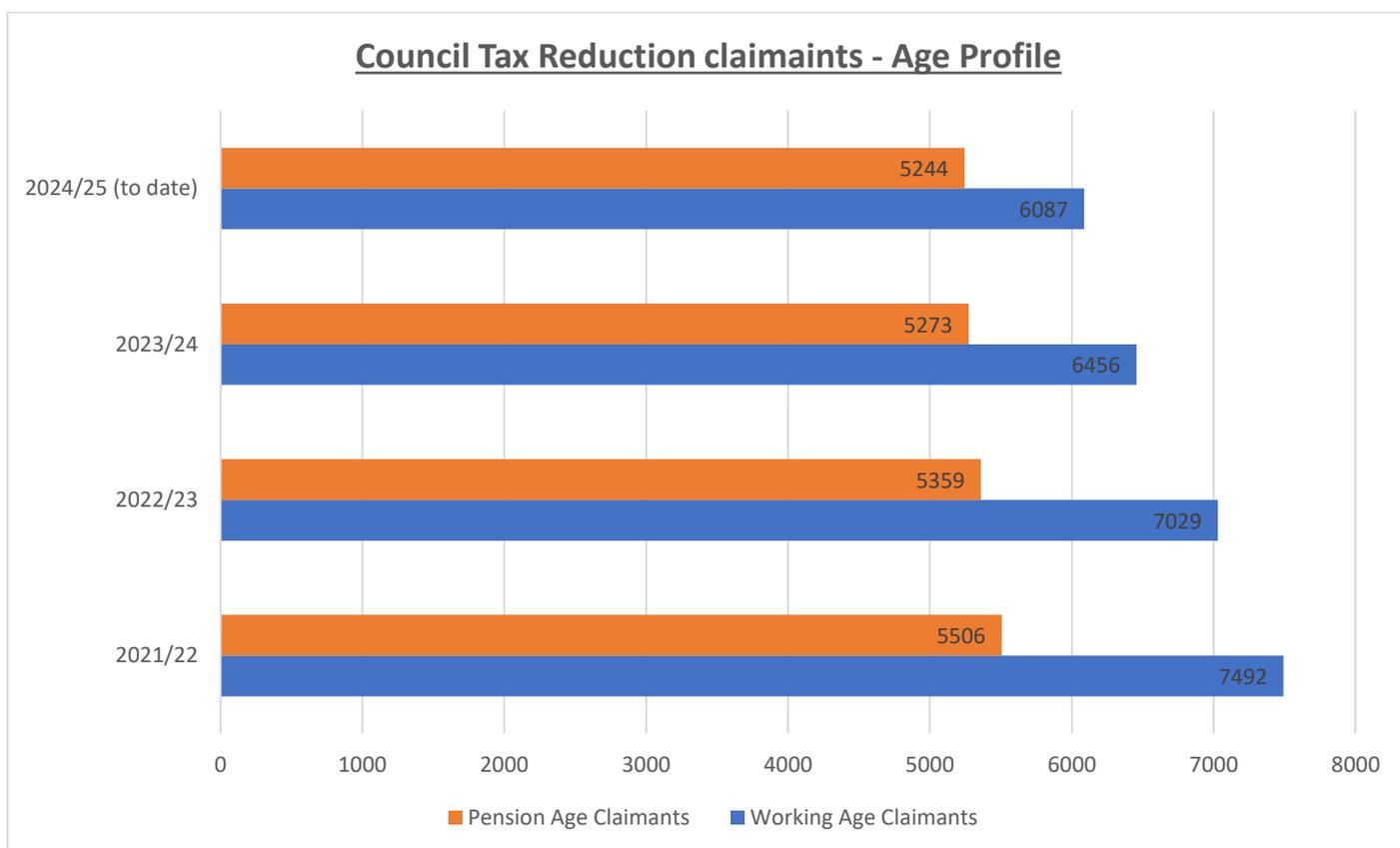
- 3.7 The number of residents who have received council tax support during the financial year is detailed below.
- 3.8 The number of residents in receipt of council tax support has reduced year on year. The 2024/25 figure for Q1 is the total number of claimants as at the end of Q1 and will change between now and year end.



Council Tax Support Claimants age profile

- 3.9 The age profile of claimants in receipt of council tax support is provided in the graph below. The percentage split between working age and pension age claimants has seen a minimal change in the four-year period.
- 3.10 Please note that the 2024/25 figure for Q1 is the total number of claimants as at the end of Q1 and will change between now and year end.

Council Tax Reduction claimants - Age Profile



Total Council Tax Support paid by year

3.11 The total council tax support paid by year is detailed in the table below. The total paid by year are:

- 2021/22 = £12,368,380
- 2022/23 = £11,985,046
- 2023/24 = £12,001,103
- 2024/25 (To Date) = £12,799,060

The increase in cost for 2024/25 relates to:

- i) The 4.75% increase in Council Tax in 2024/25 (approximately £580k of the additional cost)
- ii) The introduction of the Working Age Council Tax Reduction banded scheme
- iii) The increase of the maximum award to working age claimants from 70% to 75%.
- iv) Partially offset by the slight reduction in claimant numbers

Council Tax Support Paid - Claimant Type

