

**POLICY AND RESOURCES CABINET BOARD
16th OCTOBER 2008**

DIRECTORATE OF FINANCE & CORPORATE SERVICES

**REPORT OF THE HEAD OF REVENUES & CUSTOMER SERVICES
- M. JONES**

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Part 1 - Doc.Code: PRB-161008-REP-FS-MJ

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SECTION A

ITEM 1

COUNCIL TAX - PRESCRIBED DWELLINGS

Purpose of Report

1. To determine the level of council tax discount in respect of certain classes of dwellings for 2009/10.

Background

2. The Local Government Finance Act 1992 (as amended) gives the National Assembly the power to prescribe classes of unoccupied dwellings in respect of which local authorities may determine the level of discount.
3. The level of discount for each class can apply to the whole of the authority's area or to such parts as it determines.
4. There are 3 classes of prescribed dwellings:
 - Classes A & B which include dwellings which are unoccupied but furnished. Class A refers to dwellings where occupation for a continuous period of 28 days or longer is prohibited (chalets etc.), while Class B refers to dwellings where no restriction on occupation applies.
 - Class C which includes long term empty properties which are both unoccupied and substantially unfurnished. This class was introduced 2005/06.
5. Normally empty dwellings will receive a discount of 50%, and previously authorities had the power to reduce the level of discount in respect of prescribed classes A and B to 25% or nil.
6. The legislation has now been amended to give authorities the power to reduce the level of discount to whatever percentage (including zero) which they determine.

Prescribed Class A

7. You have previously resolved not to grant any discount in respect of Class A and it is recommended that no discount be granted for 2009/10.
8. There are no dwellings in Neath Port Talbot at the present time which fall into Class A.

Prescribed Class B

9. Examples of the circumstances affecting many of the dwellings which fall into Prescribed Class B are:
 - (a) A pensioner/pensioners moving into sheltered accommodation and leaving the dwelling vacant but furnished.
 - (b) A dwelling which is for sale, but remains furnished as the furniture is being sold with the property.
 - (c) A property which would fall into the definition of uninhabitable but for the fact it is furnished.
 - (d) A property jointly owned by a parent and child, where the parent moved into a nursing home and subsequently passes away.
 - (e) A property which passes to someone's ownership when probate is granted.
10. Since the 1st April 2001, you have been granting a 25% discount in respect of Prescribed Class B in recognition of the problems associated with not allowing any discount in the type of cases outline in paragraph 9 above.
11. For example, if no discount is granted, the result of the dwelling moving into Prescribed Class B would be to increase the amount of Council Tax payable, as previously the dwelling may have been subject to a single person discount or full exemption. Furthermore, there is no time allowed in some of the situations for a person to remove the furniture from the property.
12. The legislation now allows you to apply a discount for any percentage of less than 50%. You could, therefore, reduce the current 25% discount (eg. to 10%, 15% or 20%).
13. There are at present around 400 properties in Class B.
14. There is no financial benefit in reducing the discount as the resultant increase in the council tax base would be offset by a corresponding decrease in Revenue Support Grant.
15. It is recommended that you continue to grant a 25% discount for 2009/10.

Prescribed Class C

16. This class refers to long term empty properties, of which there are around 1,000 in Neath Port Talbot.
17. There is no financial benefit in reducing or withdrawing the discount, as the resultant increase in the council tax base would be offset by a corresponding decrease in Revenue Support Grant.

18. From a housing point of view, there may be a case for reducing or removing the discount as a way to encourage owners to bring long term empty properties back into occupation. Against this, there is likely to be a strong reaction against such a reduction by those owners.
19. A survey of South Wales authorities carried out in September 2007 indicated that only 1 authority has resolved to reduce or remove the discount.

Recommendation

20. That no discount be granted to dwellings in Prescribed Class A for 2009/10.
21. That a 25% discount be granted to dwellings in Prescribed Class B for 2009/10.
22. That no determination to reduce or remove the discount in respect of dwellings in Prescribed Class C be made for 2009/10.

Reason for Proposed Decision

23. For the reasons set out in the report.

24. List of Background Papers

Local Government Finance Act 1992
Local Government Act 2003
Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations 1998 (SI 1998/105)
Council Tax system print ct 6140b
Survey of Welsh local authorities carried out in September 2007

25. Wards Affected

All

26. Officer Contact

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COMPLIANCE STATEMENT

COUNCIL TAX - PRESCRIBED DWELLINGS

(a) **Implementation of Decision**

The decision is proposed for implementation after the 3 day call-in period.

(b) **Sustainability Appraisal**

Community Plan Impacts:

Economic Prosperity	No impact
Education and Lifelong Learning	No impact
Better Health and Well Being	No impact
Environment and Transport	No impact
Crime and Disorder	No impact

Other Impacts:

Welsh Language	No impact
Sustainable Development	No impact
Equalities	No impact
Social Inclusion	No impact

(c) **Consultation**

There has been no requirement to consult under the Forward Work Programme.

ITEM 2

AUTHORISATION OF OFFICERS TO REPRESENT THE COUNCIL IN RECOVERY PROCEEDINGS

Purpose of Report

1. This report represents a revised schedule of officers to be authorised to represent the Council in recovery proceedings for unpaid council tax and business rates.

Background

2. The list of authorised officers needs to be updated due to staffing changes.

Recommendation

3. That pursuant to Section 223 of the Local Government Act 1972, the following officers be authorised to represent the authority in proceedings before a Magistrates Court for the purpose of the recovery of council tax and business rates.

Mr. M. Jones
Mr. S. Jones
Mr. A. MacFarlane
Mrs. S. MacFarlane
Miss V. Edwards
Mrs. L. Griffiths
Mrs. L. Lewis
Mrs. A. Greenway
Mrs. V. John
Mrs. P. Hill
Mr. R. Howells

Reason for Proposed Decision

4. To authorise officers to represent the Council in recovery proceedings for council tax and business rates.

5. List of Background Papers

None.

6. Wards Affected

All

7. **Officer Contact**

M. Jones - Head of Revenues & Customer Services
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S. Jones - Principal Officer – Council Tax
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COMPLIANCE STATEMENT

AUTHORISATION OF OFFICERS TO REPRESENT THE COUNCIL IN RECOVERY PROCEEDINGS

(a) **Implementation of Decision**

The decision is proposed for implementation after the 3 day call-in period.

(b) **Sustainability Appraisal**

Community Plan Impacts:

Economic Prosperity	No impact
Education and Lifelong Learning	No impact
Better Health and Well Being	No impact
Environment and Transport	No impact
Crime and Disorder	No impact

Other Impacts:

Welsh Language	No impact
Sustainable Development	No impact
Equalities	No impact
Social Inclusion	No impact

(c) **Consultation**

There has been no requirement to consult under the Forward Work Programme.

SECTION C

ITEM 3

LOCAL TAXATION AND CASHIERS BUSINESS PLAN

Purpose of Report

1. To report on the above business plan for monitoring and scrutiny purposes. Members can see a copy of the business plan on the intranet.

Overview of Local Taxation and Cashiers Business Unit

2. The Business Unit is part of the Revenues & Customer Services Division of the Directorate of Finance & Corporate Services. The unit is managed by the Principal Council Tax Officer and comprises the following teams:
 - Business Rates Team;
 - Council Tax – Neath & Port Talbot Billing Teams;
 - Council Tax – Neath & Port Talbot Recovery Teams;
 - Cashiers – Neath, Pontardawe & Port Talbot cash offices.
3. The Business Unit has a staffing level of 36.9 fte (excluding the Principal Council Tax Officer), and a net budget of £515,000.
4. The business unit issues 67,000 annual bills with a collectable debit of £81.5m., while the cash offices handle 377,000 payments with a value of £459m.

Action Plan and Performance 2007/08

5. Further progress was made in the implementation of the e-government agenda with the following actions successfully completed:
 - Capita's hosted internet payments solution went live, increasing the range of payments which can be made via the internet and introducing the capacity to increase further the range of payments;
 - the first phase of MOTO payments (allowing back office staff to handle telephone payments) went live;
 - the implementation of BACS for council tax and business rates refunds.
6. It had been planned to move to Capita's managed APACS service (incorporating chip & pin) during 2007/08, but the implementation was delayed until 2008/09 in order to take advantage of an upgraded card-industry standard compliant version of the solution.

7. The Cashiers Team also played an important role in:
 - setting up a cash receipting facility for the Environment Division Finance Team in the Briton Ferry offices;
 - implementing a new fund within the cash receipting system for processing pcn's for the car parking service;
 - setting up the cash receipting system in the car park shop.
8. The Business Rate Team successfully implemented the National Assembly's Small Business Rates Relief Scheme, including a local scheme for hardship relief, and also undertook a significant amount of preparatory work for the introduction in April 2008 of new legislation regarding the rating of empty properties.
9. Working closely with the Corporate Communications & Marketing Team, the Council Tax and Business Rates leaflets to accompany the 2008/09 bills were redesigned and the amount of advertising space which was sold was increased – with advertising being included in the Business Rates leaflet for the first time.
10. Performance during 2007/08 was generally good across a wide range of indicators, as is illustrated in Appendix 1 – Targets.
11. Perhaps the only disappointment was the fall in the Business Rates Collection Rate to 98.3%, which was due to the raising in March 2008 of a debit for one account of over £200,000 which was still outstanding at the year end. The account has subsequently been cleared. It is worth noting, however, that the collection rate was still above the Welsh average figure for 2006/07 (97.9%).
12. It is worth noting that internet payments increased by over 30% compared to 2006/07 and card payments by almost 45%. Both increases are well above target.

Action Plan and Targets 2008/09

13. Key items in the Action Plan for 2008/09 relate to the mitigation of the risks identified in the business plan, including:
 - the replacement of ageing PC's on a rolling basis will start in July 2008;
 - Capita's Enterprise Manager software will be implemented which will provide for the automatic monitoring of the database and the highlighting of any database errors as they occur;
 - the impact of the legislative changes will be monitored on a regular basis and any issues identified at an early date to allow remedial measures to be put in place promptly;
 - card data over 3 months old will be securely disposed of to minimise risk in the short run, with the longer term problem being addressed by moving to Capita's hosted Managed APACS service.

14. Campaigns to improve the take-up of direct debit for both Business Rates and Council Tax will be undertaken, as the growth in numbers paying by this method has levelled off in recent years. Allied to this, there will be a review of the post office Council Tax payments scheme, and a further examination of the options for e-billing.
15. As part of the ongoing efficiency agenda, a review of processes will be commenced in the Council Tax team, part of which will involve reviewing the relationship of that team and the Housing Benefits team.
16. Other areas to be addressed include:
 - extension of the MOTO Payments system for telephone payments;
 - consideration of introducing a surcharge for credit card payments;
 - reviewing recovery stationery;
 - completing the determination of re-applications for rate relief;
 - increasing the range of services which can be paid via the internet.

List of Background Papers

17. Local Taxation & Cashiers Business Plan 2008/09

Wards Affected

18. All.

Officer Contact

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S. Jones - Principal Council Tax Officer
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TARGETS - LOCAL TAXATION & CASHIERS BUSINESS UNIT 2008/09

Appendix 1

<u>No.</u>	<u>Performance Indicator</u>	<u>Benchmark</u>	<u>Actual 06/07</u>	<u>Target 07/08</u>	<u>Actual 07/08</u>	<u>Target 08/09</u>	<u>Linked Actions</u>
BR1	Collection rate in year	98.4% Best 25% 97.7% Average Wales Data Unit - 2006/07 Actual	98.7%	98.8%	98.3%	98.8%	BR4
BR2	Total cost of collection per property	£44.85 Average CIPFA Benchmarking Club 2004 - 2003/04 Actual	£45.91	N/A	£47.64	£47.50	BR1, BR4
BR3	% payments received by direct debit	63.5% Best 25% 57.1% Average CIPFA Benchmarking Club 2004 - 2003/04 Actual	61.1%	N/A	61.5%	62.0%	BR4
BR4	Rating List changes actioned within 10 working days	N/A	99.3%	100%	99.6%	100%	N/A
BR5	% telephone calls answered within 12 seconds	N/A	N/A	90%	N/A	90%	N/A
BR6	% lost telephone calls	N/A	N/A	10%	N/A	10%	N/A
BR7	Average turnaround time for mail less than 8 working days	N/A	N/A	100%	98.3%	100%	N/A

<u>No.</u>	<u>Performance Indicator</u>	<u>Benchmark</u>	<u>Actual 06/07</u>	<u>Target 07/08</u>	<u>Actual 07/08</u>	<u>Target 08/09</u>	<u>Linked Actions</u>
C1	Cost per receipt/ transaction in main Cash Offices	£0.65 Best 25% £0.91 Average CIPFA Benchmarking Club 2004 - 2003/04 Actual (All members)	£0.77	£0.75	£0.76	£0.75	C3
C2	Number of “over the counter” receipts per fte per annum in main Cash Offices	41,129 Median CIPFA Benchmarking Club 2004 - 2003/04 Actual (All members)	45,092	46,000	45,418	46,000	N/A
C3	Number of overs and unders per 10,000 transactions - under £10	5.0 Average CIPFA Benchmarking Club 2004 - 2003/04 Actual (All members)	4.5	5.0	2.8	5.0	N/A
C4	Number of overs and unders per 10,000 transactions - over £10	5.9 Average CIPFA Benchmarking Club 2004 - 2003/04 Actual (All members)	2.3	1.5	2.3	1.5	N/A
C5	Postal remittances processed on day of receipt	95% Average CIPFA Benchmarking Club 2004 - 2003/04 Actual (All members)	100%	100%	100%	100%	N/A
C6	Bank credits processed within 24 hours	95% Average CIPFA Benchmarking Club 2004 - 2003/04 Actual (All members)	100%	100%	100%	100%	N/A
C7	Imported files processed on day of availability	95% Average CIPFA Benchmarking Club 2004 - 2003/04 Actual (All members)	100%	100%	100%	100%	N/A

<u>No.</u>	<u>Performance Indicator</u>	<u>Benchmark</u>	<u>Actual 06/07</u>	<u>Target 07/08</u>	<u>Actual 07/08</u>	<u>Target 08/09</u>	<u>Linked Actions</u>
C8	Unpaid direct debits processed within 24 hours	95% Average CIPFA Benchmarking Club 2004 - 2003/04 Actual (All members)	100%	100%	100%	100%	N/A
C9	Number of card payments per annum	6% of total transactions Average CIPFA Benchmarking Club 2004 – 2003/04 Actual (All members)	25,160	27,500	36,306	40,000	C1, C2
C10	Number of internet payments per annum	N/A	4,027	4,600	5,608	6,000	C10

<u>No.</u>	<u>Performance Indicator</u>	<u>Benchmark</u>	<u>Actual 06/07</u>	<u>Target 07/08</u>	<u>Actual 07/08</u>	<u>Target 08/09</u>	<u>Linked Actions</u>
CT1	Collection rate in year	96.6% Average Wales Data Unit - 2006/07 Actual	97.0%	97.2%	97.0%	97.2%	CT3, CT4
CT2	Cost of collection per property	£12.86 Best 25% £15.81 Average CIPFA Benchmarking Club 2004 - 2004/05 Estimates	£15.06	N/A	£14.34	£14.15	CT1, CT4, CT6, CT7
CT3	Collection rate after 12 months	97.4% Average CIPFA Benchmarking Club 2004 - 2003/04 Actual	98.3%	98.5%	98.5%	98.6%	CT3
CT4	Direct Debits at billing	63% Best 25% 55% Average CIPFA Benchmarking Club 2004 - 2004/05 Actual	57.0%	58.0%	57.8%	58.3%	CT4
CT5	Valuation List changes actioned within 10 working days	N/A	100%	100%	100%	100%	N/A
CT6	% telephone calls answered within 12 seconds	N/A	N/A	90%	N/A	90%	N/A
CT7	% lost telephone calls	N/A	N/A	15%	N/A	15%	N/A
CT8	Average turnaround time for mail less than 10 working days	N/A	100%	100%	100%	100%	CT8