



Corporate Services Scrutiny Review Board

How Council Tax and Business Rates collection rates have
been affected by Covid-19

22 July 2021

Facts & figures

Council Tax

- 111,896 domestic dwellings in the city
- £123.9m billed in 20/21
- Currently £133.4m billed in 21/22

Facts & figures

Business Rates

- 9,119 commercial assessments in the city
- £52.7m billed in 20/21
- Currently £79.6m billed in 21/22



Percentage of Council's total income

Based upon the Council's 20/21 outturn report, Council
Tax and Business Rates accounted for;

58%

of the Council's total funding in 20/21.



A review of the 20/21 financial year – headline information

- First national lockdown announced on 23 March '20
- On 25 March '20 Council announced that all recovery action for Council Tax & Business Rates would be suspended until 30 June '20.
- In 20/21 we achieved a current year collection rate for Council Tax of 92.25% (previous year 93.62%).
- In 20/21 we achieved a current year collection rate for Business Rates of 90.22% (previous year 96.85%).



A review of the 20/21 financial year – other challenges

- No Court time and reduced number of cases allowed.
- Limited Enforcement Agent activities.
- Reduced capacity as staff were diverted to other COVID-19 priorities – eg payment of Business Support Grants.



A review of the 20/21 financial year – the year in numbers (1)

Table 1. Recovery activity in 2020/21 and 2019/20

	Number of reminders issued	Number of summons issued	Number of liability orders granted	Number of cases referred to Enforcement Agents
2019/20	52,762	17,102	15,481	9,017
2020/21	39,423	3,529	3,363	686



A review of the 20/21 financial year – the year in numbers (2)

Table 2. Council Tax Support Caseload

	Total Council Tax Support Caseload	Total working age caseload
31 Jan 2020	17,097	10,053
31 Mar 2021	17,567	10,860
30 Jun 2021	17,539	10,828



A review of the 20/21 financial year – the year in numbers (3)

Table 3. Collection Rates for 2020/21 and 2019/20

	Percentage of Council Tax collected	Amount of Council Tax collected (£000s)	Percentage of Business Rates collected	Amount of Business Rates collected (£000s)
2020/21	92.25	114,297	90.22	47,559
2019/20	93.62	112,452	96.85	90,553



A review of the 20/21 financial year – the year in numbers (4)

Table 4. Collection of arrears

	2020/21	2019/20
Council Tax (£000s)	3,214	3,645
Business Rates (£000s)	1,399	4,020



2021/22 – Early signs to encourage? (1)

Table 5. Collection Rates as at 30th June 2021

	Percentage of Council Tax collected	Amount of Council Tax collected (£000s)	Percentage of Business Rates collected
2021/22	27.41	36,665	27.58*
2020/21	26.05	32,985	27.75*
2019/20	27.71	33,353	27.17

*includes Derby City Council Business Rate payments

2021/22 – Early signs to encourage? (2)

Table 6. Collection of arrears as at 30th June 2021

	Council Tax arrears (£000s)	Business Rates arrears (£000s)
2021/22	1,412	2,596
2020/21	895	284
2019/20	1,272	1,644



Potential Future Challenges

- Ending of the furlough scheme
- The end of Universal Credit uplift
- Lack of court time
- Changes to the Business Rates relief schemes
- Competing demands



Questions?

