

## CORE OFFER BUDGET FOR LOCAL TAXATION

### WHY DOES THE COUNCIL HAVE TO PROVIDE THIS SERVICE AND WHAT DOES IT NEED TO COVER?

This represents the net cost of collecting Council Tax and Business Rates This is a statutory service and one of the main sources of income for the Council. The service includes:

- Maximising liability to ensure the Council receives as much income as possible (includes visiting customers, empty properties etc.)
- Income collection, debt recovery and enforcement, including legal action.

### HOW DOES THE CORE OFFER BUDGET MEET THE COUNCIL'S OBLIGATIONS?

The budget is used to collect £80m per annum from around 49,500 dwellings and 3,500 businesses.

### DOES THIS DIFFER FROM THE CURRENT SERVICE?

No, set out below is some corporate data about the current service. Benchmarking data for 2014 -15 show our costs are well below national averages and it is considered further budget cuts in this area would result in reductions in income generation for the Council.

Gross cost of collecting Council Tax in Darlington was £7.26 per domestic dwelling, compared to the national average of £11.83.

Gross cost of collecting Business Rates in Darlington was £42.54 per business property, compared to the national average of £46.08.

### WHAT IS THE CORE BUDGET MADE UP OF?

#### Breakdown of costs – Council Tax

Type of cost	2019/20 Budget £
Staff salaries	429,000
Other Employee Related Costs	10,000
IT costs	40,000
Supplies & Services	102,972
Income – Court Summons fees recovered	(270,000)
Overheads	189,725
<b>Total net costs</b>	<b>501,697</b>

Breakdown of costs – Business Rates

<b>Type of cost</b>	<b>2019/20 Budget £</b>
Staff salaries	156,000
Other running costs	3,000
Income	
- Admin Grant for cost of collecting	(145,000)
- Court Summons Fees Recovered	(14,000)
<b>Total net costs</b>	<b>0</b>