

# Tonbridge & Malling Borough Council

## Council Tax, Business Rates, Council Tax Reduction & Housing Benefit

Mike Bytheway, Revenue & Benefits Manager

Glen Pritchard, Principal Revenue Officer

Andrew Rosevear, Principal Benefits Officer



[www.tmbc.gov.uk](http://www.tmbc.gov.uk)

# Tonbridge & Malling Borough Council

- Revenues & Benefits Manager and Principal Revenue Officer is a shared service arrangement with Gravesham Borough Council

## Priorities for the service;

- Provision of the benefits service including ensuring the right benefit is paid first time
- Maximising income from the collection of council tax and national non-domestic rates
- Reduce fraud and error in the system
- Prepare for the introduction of Universal Credit

# Tonbridge & Malling Borough Council

## Council Tax

- Council tax is payable in respect of each domestic property in the Borough
- Raises money for the Borough Council, Kent County Council (KCC), Kent Police & Crime Commissioner (KPCC), Kent & Medway Fire and Rescue Authority (KMFRA) and parish councils
- Helps to pay for services
- KCC, KPCC, KMFRA and the parish councils tell us how much they want. This is known as their 'precept'.
- They are called 'Precepting Authorities'



# Tonbridge & Malling Borough Council

## Council Tax

Of Council Tax collected for 2015/16 (excluding any parish charge)

- 73% is for KCC
- 12.5% is for TMBC
- 10% is for KPCC
- 4.5% is for KMFRA

Council Tax required by Precepting Authorities has to be passed to them whether we have collected it or not!

# Tonbridge & Malling Borough Council

## Council Tax

- The amount a person pays is based on the council tax band for their property
- There are 8 different bands (A to H)
- Bands are based on the capital value of the property as at April 1991 and are calculated by the Valuation Office Agency
- No plans for a revaluation

# Tonbridge & Malling Borough Council

## Council Tax

- Each year the Council has to work out how much money is required to pay for its services
- A charge for band D is calculated, which is then added to the other Precepts band D charges
- There is a fixed relationship between the bands, eg the charge for band A must be 6/9ths of the charge for band D. The charge for band H must be 18/9ths of the charge for band D

# Tonbridge & Malling Borough Council

## Council Tax

- We must send a council tax bill to each property each year
- There are approx. 52,000 properties in the Borough
- The bill must show certain information, ie the address of the property; the band applicable to it; the period of charge and the amount of council tax for each authority and any discounts or exemptions awarded

# Tonbridge & Malling Borough Council

## Council Tax

- Not everyone pays the same charge even if their properties are in the same band
- Charge will vary if there is a parish council charge
- Half of the charge is for the property, half for the number of occupants (assumed to be two)
- Charge also affected by discounts/exemptions and a Council Tax Reduction
- Further information on Council's website

<http://www.tmbc.gov.uk/services/advice-and-benefits/council-tax>





# Tonbridge & Malling Borough Council

## Council Tax

- Debit for 2015/16 is approx £72 million.
- We keep £9m - rest goes to KCC etc.
- We have a high collection rate. 98.3% for 2014/15.
- Figure will rise after end of year as arrears are collected.
  
- Payments due on, or before, 1<sup>st</sup> of month
- Preferred method of payment is direct debit
- If paying by direct debit can also pay on 5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup>, 20<sup>th</sup> or 25<sup>th</sup> of the month

# Tonbridge & Malling Borough Council

## Council Tax

- 10 instalments each year but can apply for 12
- Can pay in lump sum, half-yearly or quarterly
- Can pay by cash, cheque, bank giro, payment card, standing order or direct debit
- Can also pay by debit and credit card either over the internet or by 'phone
- At the Payment kiosks in Kings Hill Offices and Tonbridge Gateway

# Tonbridge & Malling Borough Council

## Council Tax

### Non-Payment

- Some people don't pay!
- Maximum 2 reminders
- Final notice
- Summons for non-payment
- Further recovery action including attachment to earnings/benefits and referral to enforcement agents

# Tonbridge & Malling Borough Council

## Business Rates

- § Officially known as national non-domestic rates
- § Business rates payable in respect of each commercial assessment in the Borough
- § System changed in 2013 to introduce new Business Rates Retention scheme
- § Baseline set for each Council so there is a 'shared interest' in the rates generated
- § Risk and Reward - 50% paid to Government, 40% to TMBC, 9% County, 1% Fire Service (Council retains 40% of 'growth' but we also suffer 40% of any loss with 'safety net' in place)

# Tonbridge & Malling Borough Council

## Business Rates

- Debit for 2015/16 is about £54m
- High collection rate 99.7% for 2014/15
- Further monies collected after end of year
- Amount a business pays based on the rateable value of its property.
- The rateable value varies according to the 'rental' value of the property.
- Rateable values are calculated by the Valuation Office Agency.
- Revaluation from 1 April 2010. Usually every 5 years, but next one put back to 2017

# Tonbridge & Malling Borough Council

## Business Rates

- The rates bill is calculated by multiplying the rateable value by the multiplier (or rate in the pound)
- Rate in the pound set by central government
- Rate in the pound goes up by the rate of inflation
- Must send a rates bill to each property each year
- Approx. 3,600 businesses in the Borough
- The bill must show certain information, ie the address of the property; the rateable value of the property; the rate in the pound and the period of charge and any reliefs awarded

# Tonbridge & Malling Borough Council

## Business Rates

- The occupier of the property is usually liable to pay the rates
- The owner is usually liable for empty properties
- Unlike council tax, there is no additional charge for parish councils
- The charge for properties with the same rateable value can, however, vary

# Tonbridge & Malling Borough Council

## Business Rates

### Reliefs

- Charities/Non profit-making organisations.
- Properties in rural areas
- Transitional relief
- Small business rate relief
- Retail rate relief/Reoccupation relief
- New build empty property relief



# Tonbridge & Malling Borough Council

## Business Rates

### Paying the bill

- 10 instalments each year but can apply for 12
- Can pay by cash, cheque, standing order or direct debit
- Preferred method of payment is direct debit
- Can pay by debit or credit card either over internet or by 'phone

# Tonbridge & Malling Borough Council

## Business Rates

### Non-Payment

- Formal reminder
- Final notice
- Summons
- Liability order
- Enforcement Agent
- Insolvency

# Tonbridge & Malling Borough Council

## Council Tax Reduction Scheme

- Introduced 1 April 2013 - Formerly Council Tax Benefit (CTB)
- Schemes now designed and set at local level
- Current scheme has similar rules to Council Tax Benefit but 18.5% cut in entitlement for working age households
- Pensioners cannot receive less under Council Tax Reduction Scheme than CTB

# Tonbridge & Malling Borough Council

## Council Tax Reduction Scheme

- 7,100 households receive help
- Total reduction to Council Tax of £6m
- Calculation very similar to Housing Benefit
- Dual application form with Housing Benefit
- Applications processed as one
- Applied as discount on Council Tax account

## **Second Adult Rebate**

- One or more 'second adults' in household
- Not partner or commercial arrangement
- Reduction of 7.5%, 15% or 25%
- Based on income of second adults

# Tonbridge & Malling Borough Council

## Housing Benefit

- Help for rent costs, Private Tenants including RSL's
- 6,500 households assisted, nearly 4,000 Circle Housing Russet tenants
- £36.5m paid in 2014/15 mostly met through Government subsidy - strict audit regime
- Seven different Housing Benefit schemes currently in operation (Local Housing Allowance is the latest one)

# Tonbridge & Malling Borough Council

## Housing Benefit & Council Tax Reduction Scheme

- Complex means tested calculations, subject to frequent change
- Claimants have duty to notify changes in circumstances
- Many changes now notified electronically directly by DWP or HMRC
- Local performance indicators for speed of processing new claims & changes in circumstances
- Data matching and RTI
- Overpayments – Recovery from OGB and AOB

# Tonbridge & Malling Borough Council

## Housing Benefit & Council Tax Reduction Scheme

### Calculating the amount of entitlement

- Capital
- Income
- Applicable amount
- Non-dependants
- Local Housing Allowance rate
- Rent restrictions

# Tonbridge & Malling Borough Council

## Housing Benefit & Council Tax Reduction Scheme

- Calculated and awarded at a weekly rate
- Housing Benefit normally awarded from the Monday following the date we get the claim – can be backdated under certain circumstances
- Notification letters
- Housing benefit paid by BACS to claimant or landlord
- Landlord paid 4 weeks in arrears
- Claimant paid 2 weeks in arrears, some exceptions
- Appeals



# Tonbridge & Malling Borough Council

## Housing Benefit & Council Tax Support

### Welfare Reform Changes from April 2013

- Social Sector Size Criteria Restrictions
- Benefit Cap
- Increase in Discretionary Housing Payments
- Local Housing Allowance
- Universal Credit
- Benefit uprating capped at 1%
- 2016 LA/DWP/HMRC fraud offices to merge to form Single Fraud Investigation Service

# Tonbridge & Malling Borough Council

## Universal Credit

- It merges six working age benefits together they are Income-based Jobseeker's Allowance, Income Support, Income-related Employment Support Allowance, Housing Benefit, Working Tax Credits and Child Tax Credits
- Will be administered by DWP
- From the October 2015, Universal Credit go-live in T&M
- To claimants who are single and eligible to Jobseeker's Allowance only

# Tonbridge & Malling Borough Council

## Universal Credit

- T&M will agree and sign a Delivery Partnership Agreement
- Support for claimants to get on-line and stay on line
- Support for claimants with complex needs and in particular those who require personal budgeting support
- Provide support to UC Service Centre staff around housing cost issues that may arise
- Further rollout of couples and families to be announced

# Tonbridge & Malling Borough Council

**Any questions?**

