

TONBRIDGE & MALLING BOROUGH COUNCIL
FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

21 September 2016

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Information

1 REVENUES AND BENEFITS UPDATE REPORT

A report detailing recent developments in respect of council tax, business rates, council tax reduction and housing benefits.

1.1 Collection of council tax and business rates

- 1.1.1 As at 31 August 2016, the collection rate for council tax stood at 45.59%. For the same period in the year 2015/16, the collection rate was 45.66%.
- 1.1.2 As at 31 August 2016, the collection rate for business rates stood at 48.75%. For the same period in the year 2015/16, the collection rate was 48.88%.
- 1.1.3 In respect of the customers receiving a council tax reduction (CTR), approximately 89% of the council tax due for 2013/14, 2014/15 and 2015/16 has been paid. For the current financial year, 38.5% has been paid compared to 38.1% for the comparative period in the previous financial year (approx. £6,000 difference).
- 1.1.4 I am pleased to advise that the number of recovery notices issued this financial year continues to reduce, with approximately 13% fewer notices being sent compared to 2015/16 (see **ANNEX 1**).
- 1.1.5 In respect of businesses that have chosen to pay over 12 monthly instalments, there are currently 305 accounts with a remaining annual charge of £8.4M. This equates to roughly 9% of the total number of accounts and 29% of the remaining annual charge.

1.2 Performance and Workload of the Benefits Service

- 1.2.1 The average number of days to process new housing benefit claims since April is 14.7. It takes an average of 5.3 days for changes in circumstances.
- 1.2.2 The caseloads for both council tax reduction and housing benefit continues to fall, however, there are some differences in the trends, shown in the table below.

	Pension Age Claims		Working Age Claims	
	% of total caseload	Change since 1 st January 2016	% of total caseload	Change since 1 st January 2016
Housing Benefit	36%	53 fewer claims	64%	96 fewer claims
Council Tax Reduction	44%	94 fewer claims	56%	32 more claims

- 1.2.3 The impact on workload also varies compared to the same point in time last year. Since 1 April, 200 fewer new claims have been received and over 1000 more changes in circumstances in 2016/17.
- 1.2.4 Excluding 'homeless' temporary accommodation payments, the Department for Work and Pensions (DWP) forecast nationally a decrease in housing benefit expenditure of 3.5% in 2016/17. Payments made by the Council so far this year are very similar to those of last year. This is surprising given that social rents decreased by 1%, local housing allowance rates have been frozen and fewer households are claiming. It indicates that households with claims receive more help now. This would be down to a decrease in household income, such as lower earnings and reductions in other state benefits, again, lowering total household income.
- 1.2.5 The introduction of the new level benefit cap around November will certainly decrease payments, although overall, not substantially.
- 1.2.6 The DWP forecast nationally an increase in housing benefit payments for 'homeless' accommodation of 6.5%. The current housing benefit expenditure made by the Council for this type of accommodation has increased on last year by around 35%. This is due to more households being placed into temporary accommodation and longer stays.

1.3 Benefit Cap

- 1.3.1 The Government announced that the cap for non-working households, excluding pensioners, will be revised from £500 per week (£26,000 pa) to £384 (£20,000 pa) for couples and single parents. The level for single claimants will reduce to £257.69 per week.
- 1.3.2 In my report to the Board on 1 June, based on information from DWP, I advised members that the changes will come into effect around Autumn. I have now been advised that the new levels start in mid-November. I still anticipate around 200 households having restrictions to their incomes once the new cap is in place, compared to 17 currently affected.

1.4 Local Council Tax Reduction Scheme (LCTRS)

- 1.4.1 The consultation on changes to our working age council tax reduction scheme closed at the end of August. Officers are currently working to compile a report of the responses, along with a full equality impact assessment of the options. I shall be presenting a full report to Cabinet on 12 October with options and recommendations. At this stage I cannot provide any further details of the responses to the Board.

1.5 Legal Implications

- 1.5.1 None

1.6 Financial and Value for Money Considerations

- 1.6.1 The percentage of council tax and business rates collected during the year impacts on the Council's finances and, consequently, on the level of council tax for future years.

1.7 Risk Assessment

- 1.7.1 Performance monitored on ongoing basis

Background papers:

1. In respect of the collection of council tax and business rates, data held within Financial Services.

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