

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

**04 January 2017**

**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 30 November 2016, the collection rate for council tax stood at 74.3%. For the same period in the year 2015/16, the collection rate was 74.38%.

1.1.2 As at 30 November 2016, the collection rate for business rates stood at 75.45%. For the same period in the year 2015/16, the collection rate was 75.19%.

1.1.3 I shall update Members, as to the collection rates for 2016/17, as at 31 December 2016, for both council tax and business rates, on the evening of the meeting.

1.1.4 In respect of the customers receiving a council tax reduction (CTR), approximately 95% of the council tax due for 2013/14 has been paid, with 92% for 2014/15 and 86% for 2015/16. For the current financial year, approximately 61.2% has been paid compared to 60.8% for the comparative period in the previous financial year.

1.1.5 I am also pleased to advise that the number of recovery notices issued this financial year is still lower than last year, with approximately 11% fewer notices being sent compared to 2015/16 (see **ANNEX 1**).

**1.2 Autumn Statement**

1.2.1 In respect of business rates specifically, the Chancellor announced the doubling of Rural Rate Relief from 1 April 2017. This removes the inconsistency with Small Business Rate Relief, that had previously been announced would be doubled permanently from 1 April 2017.

1.2.2 There will also be a new 100% relief for new full-fibre infrastructure for a 5 year period from 1 April 2017 to support roll out to more homes and businesses.

### **1.3 Council Tax Base for the year 2017/18**

- 1.3.1 I attach, at **ANNEXES 2 and 3**, the council tax base for the financial year 2017/18. This shows that there are 48,878.88 Band D equivalent properties within the Borough.
- 1.3.2 Members should note that, compared to the tax base for the year 2016/17 (47,629.13 Band D equivalent properties), there has been an increase of approx. 2.6% in the overall tax base for the Borough.
- 1.3.3 This increase is a combination of fewer taxpayers claiming Council Tax Reduction, growth in the number of new properties and the forthcoming changes to the Council Tax Support scheme.
- 1.3.4 The Council is required to set its tax base for the forthcoming financial year, and notify it to the major precepting authorities, during the period 1 December to 31 January. Members will recall that, at the time of reporting the tax base for the year 2005/06, they agreed to give me delegated authority to calculate the tax base for subsequent years.

### **1.4 E-billing**

- 1.4.1 The Chancellor announced in his Budget Statement for 2016 that the Government will work with local authorities to ensure that all ratepayers can receive bills online by 1 April 2017.
- 1.4.2 I am pleased to report that my teams have been working hard to ensure this service is available, and that testing is currently under way. I am hopeful that businesses and council taxpayers can be contacted in the New Year so that as many can sign up to the new service before the annual bills are sent in March.
- 1.4.3 I will continue to closely monitor the development of this facility and I will report back to Members when it becomes available for use.

### **1.5 Performance and Workload of the Benefits Service**

- 1.5.1 The average number of days taken to process a new claim for housing benefit so far this year is 15. It takes an average of 6.4 days to process a change in circumstances.
- 1.5.2 The targets for the year are 15 and 6 days. The number of new claims received compared to the same time last year is 200 lower. The number of changes in circumstances is 2,000 higher. So far, just over 2,000 new claims have been made and 30,000 changes in circumstances received.
- 1.5.3 There is a continued reduction in the number of households receiving housing benefit and / or council tax reduction. Since January 2016, there are 230 fewer households receiving housing benefit.

## 1.6 Universal Credit

- 1.6.1 The Borough saw the introduction of Universal Credit in October 2015. Universal Credit can include housing cost payments to replace housing benefit. To date, there are 43 households with claims for council tax reduction and Universal Credit indicating the slow roll out of the new benefit.
- 1.6.2 Claims are currently limited to single people who would otherwise have claimed Jobseekers Allowance. In November, the DWP issued a timetable for the 'full service' roll out, when all categories of claimant will be included. The completion of the roll out is due for September 2018, with Tonbridge & Malling going live in August 2018. Following roll out, a phased transition of the remaining working age housing benefit caseload is due to take up to 2022.
- 1.6.3 Housing benefit for claimants living in supported accommodation, such as the Royal British Legion Village or Bridge Trust accommodation will be excluded from Universal Credit housing costs, maintaining eligibility to housing benefit regardless of age.

## 1.7 Benefit Cap

- 1.7.1 The benefit cap places a limit on the maximum amount of benefit that out of work households are entitled to. It does not affect 'in work' households providing there is a claim for Working Tax Credits in payment. The level of the cap was revised from £500 per week to £384.62 per week (£20,000 per annum) from 7 November 2016. There were 21 households capped at the 'old' rate.
- 1.7.2 There are now 106 households with reduced incomes due to the benefit cap. The Department for Work & Pensions had previously indicated there would be approximately 200 cases in the Borough, the lower number is something of a positive.
- 1.7.3 The numbers of households and losses they face per week are represented in the figure below:



1.7.4 Of the households, 84 are housing association tenants, 62 being 'Russet', and 20 are private tenants. All households contain two or more children. Two thirds of households are couples, one third, single parents.

1.7.5 My Service has been working together with the local Jobcentres for several months to provide advice to households affected by the benefit cap. All households received letters warning of the potential financial impact of the cap. Information was passed to landlords, where permitted, for example, Russet was notified of their tenants affected by the cap for whom they receive direct payments. They then carried out a 'door knocking' exercise to advise and assist tenants.

## **1.8 Discretionary Housing Payments (DHP)**

1.8.1 The DHP fund for the year was £171,000 and the balance now stands at £50,000. The additional demand on the fund due to the reduced benefit cap is being carefully managed to stretch the resources through to the end of the financial year.

1.8.2 There have been 406 applications for help from the fund so far, of which, 279 awarded either weekly 'top up' payments or lump sums to assist in clearing rent arrears or downsizing accommodation.

## **1.9 Local Council Tax Reduction Scheme**

1.9.1 Following public consultation and analysis, the Local Council Tax Reduction Scheme for 2017/18 was agreed by Council on 1 November. Details of the scheme and the differences to the current one can be found at:

<https://www.tmbc.gov.uk/services/advice-and-benefits/council-tax/council-tax-reduction-scheme/council-tax-reduction-scheme-20172018>

## **1.10 Legal Implications**

1.10.1 Nil.

## **1.11 Financial and Value for Money Considerations**

1.11.1 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.

## **1.12 Risk Assessment**

1.12.1 Performance monitored on an 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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