

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

20 September 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 31 August 2017, the collection rate for council tax stood at 45.62%. For the same period in the year 2016/17, the collection rate was 45.59%.
- 1.1.2 As at 31 August 2017, the collection rate for business rates stood at 49.03%. For the same period in the year 2016/17, the collection rate was 48.75%.
- 1.1.3 In respect of the working age customers receiving a council tax reduction (CTR), approximately 96% of the council tax due for 2013/14 has been paid, with 94% for 2014/15, 91% for 2015/16 and 84% for 2016/17.
- 1.1.4 For the current financial year, approximately 36% has been paid compared to 38% for the comparative period in the previous financial year. Although the level of council tax support only reduced by 1.5% this financial year, it does appear to be having an impact on the collection rate for our working age customers.
- 1.1.5 The number of recovery notices issued this financial year is still marginally lower than last year, with approximately 1% fewer notices being sent compared to 2016/17 (see **ANNEX 1**). However, the number of summonses issued has increased, which may be partly due to the reduced level of council tax support as mentioned above.

1.2 Business Rates Relief Scheme

- 1.2.1 Members may recall that in the March 2017 Budget, the Chancellor announced that the Government would provide £300m to support those businesses most affected by the revaluation of business rates due to take effect from April 2017. Local authorities were required to formulate and adopt a scheme for awarding relief; with factors to be considered in the design of the scheme to include the

scale of the increase in the business rates liability for 2017/18 when compared to that payable for 2016/17 and the rateable value of the property.

- 1.2.2 Members recommended at the last meeting of this Board that delegated authority be granted to the Director of Finance and Transformation in conjunction with the Leader, Cabinet Member for Finance, Innovation and Property and the Chairman of this Advisory Board to agree the scheme to be adopted by this Council.
- 1.2.3 The agreed scheme is attached at **[ANNEX 2]** for Members' information.
- 1.2.4 A verbal update will be given on how many applications for each relief have been issued, received and awarded.

1.3 Performance and Workload of the Benefits Service

- 1.3.1 The average number of days to process new claims and changes in circumstances for housing benefit since April currently stands at 14.8 and 5.0 this year. For August, the results were 9.2 and 3.6 days. This is the first month we have achieved a single figure average for processing new claims. Performance is measured by counting days from receiving a claim to making a decision that the claimant is entitled, or not, to housing benefit. If further information is required to determine entitlement then those days are also included within the count. In general, over half of our customers have their claims processed within three days.
- 1.3.2 The caseload for both housing benefit and council tax reduction is stable. As at 1 September 2017 there were 6273 households (4026 working age, 2247 pension age) assisted with housing benefit and 6763 (3848 working age, 2915 pension age) with council tax reduction.
- 1.3.3 **Universal Credit**, introduced to the Borough in October 2015, has so far had little impact on my Service. At the 1 September there were 58 households receiving Universal Credit and council tax reduction. Claims are currently limited to single people who would otherwise have claimed Jobseekers Allowance. Further roll-out to couples and families remains due for Autumn 2018 in the Borough.
- 1.3.4 There are 128 families with a **Benefit Cap** applied to their housing benefit. The benefit cap restricts non-working households to a maximum income of £384.61 including housing benefit. 64 are tenants of Clarion, 31 of other social landlords and 34 rent from private landlords. The Benefits Service continues to work with both tenants and landlords to provide advice, assistance and support.
- 1.3.5 The **social sector size criteria** restriction, commonly known as bedroom tax or spare room deduction, now restricts housing benefit to 468 working age households in the Borough. There are two levels of restriction, 14% of rent if there is one spare room and 25% if there are two or more. The 14% benefit reduction (averaging £19 per week per household) is applied to 398 homes and 70 are subject to the 25% reduction (averaging £34 per week). The number of homes

subject to the lower rate reduction has remained constant over the last year, whereas the number of higher rate deductions has fallen from 100 to 70.

- 1.3.6 The **discretionary housing payment (DHP)** scheme provides financial assistance to households receiving housing benefit needing additional help. The fund, provided by Government, this year, is £284,178, an increase of £113,000 on 2016/17. Between April and September 2017 we received 233 applications for DHP, of these, 161 were successful. The Council's policy can be found at: https://www.tmbc.gov.uk/__data/assets/pdf_file/0011/90479/Discretionary-housing-payments-policy_1.pdf
- 1.3.7 The policy places the emphasis of assistance on homelessness prevention, support to vulnerable households and those affected by welfare reform. So far this year the team has provided help to 70 families in the direct prevention of homelessness by stopping eviction proceedings or facilitating moves.

1.4 Revenues & Benefits Shared Service Update

- 1.4.1 Work has continued on the IT system developments at both site, and preparations are being made for the physical relocation of all staff to Kings Hill next year.
- 1.4.2 A senior officer group consisting of Revenues and Benefits staff from both authorities has been set up and met for the first time on 5 September 2017. Following this, operational sub-groups will be established to enable officers from both authorities to meet and work together on identifying any common operational issues; but also to provide suggestions to the Board about how these can be resolved moving forward.
- 1.4.3 Gravesham officers will shortly be contacted by the HR team at GBC to arrange one-to-one discussions should they be required. In addition, information will shortly be circulated to all officers across both authorities to provide a bit more information about the Revenues & Benefits shared service.
- 1.4.4 At its Cabinet meeting on 4 September, the GBC Cabinet gave delegated authority to the Director (Corporate Services) in consultation with the Leader and the Portfolio Holder for Performance & Administration to enact the delegation of responsibility for the provision of the Revenues and Benefits Service on behalf of GBC to TMBC, at such a time that the shared service is ready to be launched. As Members are aware, we currently anticipate this to be July 2018.

1.5 Legal Implications

- 1.5.1 Nil

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.

1.6.2 As previously advised, it is anticipated that the shared service will deliver savings beyond 2018 which will contribute to the targets within the Savings and Transformation Strategy.

1.7 Risk Assessment

1.7.1 Nil.

Background papers:

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

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