

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

17 September 2018

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 2018, the collection rate for council tax stood at 45.94%. For the same period in the year 2017/18, the collection rate was 45.62%.
- 1.1.2 As at 31 August 2018, the collection rate for business rates stood at 48.62%. For the same period in the year 2017/18, the collection rate was 49.03%.
- 1.1.3 In respect of the working age customers receiving a council tax reduction (CTR), approximately 97% of the council tax due for 2013/14 has been paid, with 95% for 2014/15, 94% for 2015/16, 90% for 2016/17 and 84% for 2017/18.
- 1.1.4 For the current financial year, approximately 37.5% has been paid compared to 36.5% for the comparative period in the previous financial year. We are continuing to monitor this closely as collection rates can fluctuate throughout the year.
- 1.1.5 The number of recovery notices issued this financial year is lower than last year (see **Annex 1**). However, it is too early in the financial year to suggest the number of notices will continue to reduce and I should have a better picture at the next meeting of this Board.

1.2 Performance and Workload of the Benefits Service

- 1.2.1 The average number of days taken to assess a new claim for housing benefit, since April, stands at 12.3 while the average number of days to re-assess changes to ongoing claims is 1.8. Our performance is slightly better than the same period last year. The numbers of new claims and changes in circumstances is very similar.

- 1.2.2 The Department for Work and Pensions collates and publishes performance data for all Councils. The most recent publication, for the 2017/18 financial year, shows that our combined performance to process new claims and changes is not only the best in Kent but amongst the top 10 nationally.
- 1.2.3 The number of households getting help with housing benefit in the Borough is 6200. The number with council tax support is 6700. Most households receiving housing benefit also have assistance with council tax support. Although the numbers fluctuate, they have remained largely the same over the last year. Looking a little closer, the number of pension age households with claims has dropped by around 40 while the number of working age households with claims has increased by around 40 and this appears to be the trend.
- 1.2.4 The shift in numbers of working age / pension age claims affects the administration of our council tax reduction scheme. Working age claimants currently receive a maximum reduction of 80% of their council tax liability, meaning there are amounts of council tax to collect from households on the lowest incomes. Working age claims have a greater number of changes in circumstances due to changes in income and household composition. Each change requires a re-assessment to the level of reduction and a new council tax bill for the householder. This can prove onerous for the Council and confusing for the householder, especially when there are frequent changes to income.
- 1.2.5 The Department for Work and Pensions rolls out the Verify Earnings and Pensions Alerts Service (VEP) to the Borough on 28 September. VEP is an electronic process to notify the Council of changes to income such as pay and private pensions as well as benefits and state pensions. The DWP started the national roll out of VEP in March 2018. Sites already using the system report an increased number of re-assessments for housing benefit and council tax support due to the changes in income.
- 1.2.6 The Universal Credit Full Service is now live in limited areas of the Borough. This means that depending on the location of the home, a resident who would have made a new claim for housing benefit must instead claim Universal Credit online from the DWP.
- 1.2.7 There has been confusion over the roll out, with all previous correspondence and contact from the DWP leading us to believe it would take place in total in November this year. However, it has transpired that the roll out has been driven by Jobcentre catchment area with assigned postcodes. The Borough is served by five Jobcentres, Tonbridge, Maidstone, Gravesend, Dartford and Chatham. Unfortunately we had next to no notice from the DWP when Chatham and Gravesend areas became live in May and little notice for the Dartford area in July. Tonbridge and Maidstone areas, which cover the greater part of the Borough are due to be live with Universal Credit full service in November.

- 1.2.8 A list of the Jobcentres and associated postcodes in the Borough can be found at **Annex 2**.
- 1.2.9 Universal Credit full service initially applies only to new claims made by working age households with fewer than three children. In January 2019 the Universal Credit system is due to include families with three or more children. The benefit replaces Jobseekers Allowance, Employment & Support Allowance, Income Support, Tax Credits and Housing Benefit, known as legacy benefits. Once the roll out for the new claims process has been completed, by the end of this year, there will be a managed migration from ongoing legacy benefit claims to Universal Credit, starting at pilot sites in early 2019 and due for completion in 2023/24. Details of pilot sites and the transfer schedule have not yet been published.
- 1.2.10 The Council's discretionary housing payment (DHP) fund stands at £83,000 at the time of writing this report. So far, a total of £134,000 has been awarded to 252 households. There have been 104 awards directly made to prevent or alleviate homelessness through contributions towards arrears to prevent evictions and payments of rent in advance to assist families into new homes. 140 awards have been weekly payments made over fixed periods to top up shortfalls between Housing Benefit and rent, such as spare room reductions, and eight awards have been made to households receiving Universal Credit payments. So far, 55 applications have been refused, usually as a result of affordability assessments.

1.3 Legal Implications

- 1.3.1 Nil.

1.4 Financial and Value for Money Considerations

- 1.4.1 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.

1.5 Risk Assessment

- 1.5.1 Nil

Background papers:

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

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