

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

06 January 2021

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 2020, the collection rate for council tax stood at 73.67%. For the same period in the year 2019/20, the collection rate was 74.37%.
- 1.1.2 As at 30 November 2020, the collection rate for business rates stood at 75.16%. For the same period in the year 2019/20, the collection rate was 75.91%.
- 1.1.3 I shall update Members, as to the collection rates for 2020/21, as at 31 December 2020, for both council tax and business rates, on the evening of the meeting.
- 1.1.4 The most recent national figures show council tax collection rates are down 0.8% on average and business rates down by 8%! Our amounts are therefore holding up strongly, especially for business rates where we are remarkably only 0.75% down on last year.
- 1.1.5 It was mentioned at the last meeting of this Board that we were waiting for a response from the Magistrates' Court regarding liability order hearings. To date, we have still not heard anything, other than an acknowledgement at the beginning of November.
- 1.1.6 A letter has been sent to the Borough's MPs by the Leader and Cabinet Member for Finance, Innovation and Property, highlighting we may not be able to take advantage of the Chancellor's offer to compensate 75 per cent of irrecoverable debts simply because we are unable to instigate recovery action and therefore determine whether or not a debt is irrecoverable.
- 1.1.7 The situation we are in is the same for all the authorities in North and West Kent, so it is hopeful that they bring to bear some pressure on the Court service in the New Year.

- 1.1.8 In the meantime, we continue to issue recovery notices; the number issued this financial year is shown in **ANNEX 1**. With £100 costs being applied to a summons, Members will see that we are losing a significant amount of income due to the lack of hearing dates, in addition to the impact on the collection rate through not being able to take further recovery action on the unpaid debts.
- 1.1.9 In respect of the working age customers receiving a council tax reduction (CTR), approximately 92% of the council tax due for the period 2013/14 to 2019/20 has been paid.
- 1.1.10 For the current financial year, approximately 58% has been paid compared to 55% for the comparative period in the previous financial year. We are continuing to monitor this closely as collection rates can fluctuate throughout the year; however, it does appear that the Government assistance through the Hardship scheme is assisting our residents.

1.2 Council Tax Base for the year 2021/22

- 1.2.1 I attach, at **ANNEXES 2 and 3**, the council tax base for the financial year 2021/22. This shows that there are 51,374.86 Band D equivalent properties within the Borough.
- 1.2.2 Members should note that, compared to the tax base for the year 2020/21 (51,371.02 Band D equivalent properties), there has only been a marginal increase in the overall tax base for the Borough.
- 1.2.3 This is a combination of more taxpayers claiming Council Tax Reduction, and a reduced growth in the number of new properties built in the last year.
- 1.2.4 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.

1.3 Breathing Space

- 1.3.1 Members may be aware of a new scheme to be introduced next year that aims to help people in problem debt to better manage their finances, seek professional debt advice and reach sustainable solutions.
- 1.3.2 Further information on the scheme is available from the letter shown at **ANNEX 4**.
- 1.3.3 It is anticipated that further briefing/training sessions will be available in the New Year, when work will commence to implement the processes and system changes required.

1.4 Performance and Workload of the Benefits Service

- 1.4.1 The average number of days to process new claims for housing benefit and council tax reduction is currently under 10 days, with 85% of them within five days. The running average for the financial year stands at just under 11 days. When we receive notifications of changes to existing claims, the re-assessments are made in under two working days on average. Our performance has marginally improved on last year but at a point where we look to maintain standards in speed of processing rather than greatly improve.
- 1.4.2 The number of households currently assisted with council tax reduction is 6864. The number has fluctuated but held steady since May, following an initial increase of almost 200 working age claims in April/May, when the consequences of initial lockdown took hold. The number of households claiming housing benefit continues to gradually fall, a decrease in 10% from 5019 to 4501 since March. The drop is almost solely due to households converting to Universal Credit.
- 1.4.3 In late 2019, Government announced the Housing Benefit Accuracy Award (HBAA) programme. The programme consisted of DWP targets set for the number of checks or reviews made on housing benefit claims. Initially intended to start in March 2020, the scheme was suspended until November 2020. Tonbridge & Malling Borough Council has a target of around 400 housing benefit claims to receive a full review of all information, calling for up to date evidence and verification of details. The cases identified for review are selected through a risk assessment made by the DWP. Reviews are due to start in early January and run until 31 March 2021.
- 1.4.4 At the time of writing this report, our Discretionary Housing Payment (DHP) fund has a balance remaining of £218,000. The total fund for the year is £313,000. As I have previously reported to the Board, the number of applications to this fund has drastically reduced this year due to the relaxation of rent arrears recovery. Although my officers have been actively working with landlords to promote DHP and identify potential households to assist, we still have a considerable projected underspend for the year. By far the majority of Councils across Kent and the South East are in similar positions. Having raised the scenario nationally with the DWP and making requests to roll-over funds into the 2021/22 financial year instead of having to repay the underspend, the DWP are now monitoring the situation. With a positive note, in conversation with Clarion, the significant stockholder in our Borough, we have established that rent arrears levels have not increased as much as we had feared.
- 1.4.5 In view of the anticipated DHP underspend, my officers approached our Housing Services to establish a private sector landlord incentive scheme, putting DHP to use. The aim is to encourage private landlords to work with the Council, providing settled, affordable homes with an emphasis on helping households currently in temporary accommodation or to avoid the need to use of it. The Scheme has just

been launched, details can be found on our website at: [Golden hello and rent guarantee scheme - Tonbridge and Malling Borough Council \(tmbc.gov.uk\)](https://www.tmbc.gov.uk/golden-hello-and-rent-guarantee-scheme)

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.

1.7 Risk Assessment

1.7.1 Nil.

1.8 Equality Impact Assessment

1.8.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users at this point.

1.9 Policy Considerations

1.9.1 Community

1.9.2 Customer Contact

Background papers:

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

contact: Glen Pritchard
01732 876146
Andrew Rosevear
01732 876143

Sharon Shelton
Director of Finance and Transformation