

TONBRIDGE & MALLING BOROUGH COUNCIL

FINANCE, REGENERATION AND PROPERTY SCRUTINY SELECT COMMITTEE

11 October 2022

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Information

1 REVENUES AND BENEFITS PERFORMANCE INFORMATION REPORT

A report detailing performance information 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 2022, the collection rate for council tax stood at 46.38%. For the same period in the year 2021/22, the collection rate was 45.71%.
- 1.1.2 As at 31 August 2022, the collection rate for business rates stood at 53.63%. For the same period in the year 2021/22, the collection rate was 46%.
- 1.1.3 We therefore remain on the same direction of travel, with collection performance still currently above target. However, with the increased energy price cap coming into effect in October, I am not expecting this trend to continue.
- 1.1.4 For many residents, the winter months will be particularly difficult, and I anticipate they will not be seeing payment of council tax as a priority. We therefore need to be prepared for collection rates to fall, and although the collection rate targets have been reduced, this may need to be reviewed later on this year depending on performance over the next few months.
- 1.1.5 The amount of arrears for previous year debts currently stands at £5.2M for council tax and £950k for business rates. These totals have increased significantly since 2020/21 when we were unable to take any action to recover debts; however, we continue to work hard to reduce the levels.

1.2 Performance of Benefits Service

- 1.2.1 The average number of days to pay housing benefit and council tax reduction applications was 17.5 as at 1 September. Changes in circumstances take on average 2.8 days. The number of new claims processed is relatively small due to the shift to Universal Credit. The decline in performance is a direct consequence of the Clarion cyber attack. Over the past two months Clarion has had severely limited communication channels and not been able to supply information relating

to tenancies essential in making payments. At the time of writing we are just starting to see signs of systems being reset and information starting to flow.

1.2.2 The number of households paid housing benefit continues to drop, mostly due to the transfer to Universal Credit. On 1 September the total number of households getting help with housing benefit was 3681, almost exactly half working age and half pension age. Pilot sites are underway across the country trialling managed migration of the existing working age housing benefit caseload to Universal Credit. Government ambition remains that nationally the transition from housing benefit to Universal Credit will be completed by the end of 2024.

1.2.3 The number of households receiving help with council tax was 6534 on 1 September, 2392 of these were pension age. This is an overall slight rise in numbers but a fall in the pension age proportion, reflecting the economic environment.

1.3 Legal Implications

1.3.1 none

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 Failure to collect council tax or business rates in a timely and efficient manner could put the Council's finances under pressure. As the Billing Authority, TMBC has to pay Preceptors in accordance with an agreed schedule regardless of whether collection is on track.

1.5.2 Over the years, TMBC's collection rate for council tax has been above the national average for shire districts. A reduction in collection rate for council tax which becomes sustained and 'permanent' will have an impact on the MTFS.

1.5.3 Delays in processing benefit claims or changes of circumstances could place claimants in difficult financial circumstances. Equally, delays in processing changes of circumstances could put the Council's own finances at risk if overpayments are made as a result and become irrecoverable at a later date.

1.6 Policy Considerations

1.6.1 Community

1.6.2 Customer Contact

Background papers:

Nil.

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