

TONBRIDGE & MALLING BOROUGH COUNCIL

FINANCE, REGENERATION AND PROPERTY SCRUTINY SELECT COMMITTEE

14 March 2023

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Information

1 REVENUES AND BENEFITS PERFORMANCE INFORMATION

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 January 2023, the collection rate for council tax stood at 93.49%. For the same period in the year 2021/22, the collection rate was 92.96%.
- 1.1.2 As at 31 January 2023, the collection rate for business rates stood at 95.14%. For the same period in the year 2021/22, the collection rate was 92.85%.
- 1.1.3 Despite expectations that the situation with rising energy payments and the general cost of living would have a detrimental impact on collection, we appear to be 'bucking the trend' as both collection rates are ahead of the amount collected this time last year.
- 1.1.4 Unclaimed council tax energy rebate payments that were allocated directly to council tax accounts has definitely had some impact on collection; some of these payments are for taxpayers that have no council tax liability (eg pensioners), so this is slightly skewing the amount shown as collected.
- 1.1.5 We will need to refund these payments; however, it is not possible to do so without the taxpayer providing their bank details (hence why the energy rebate payments could not be paid in the first place). We will continue to do what we can to ensure these people get their money by notifying them via their council tax bill that a credit is available to them.
- 1.1.6 The amount of arrears for previous year debts currently stands at £4.3M for council tax and £0.5M for business rates. We continue to work hard to reduce these levels, with £1.6M already received this financial year.

1.2 Performance of Benefits Service

- 1.2.1 The average number of days to pay housing benefit and council tax reduction applications was 17.1 as at 1 February 2023. Changes in circumstances take on average 2.7 days.
- 1.2.2 The number of new claims processed is relatively small due to the shift to Universal Credit. The Council remains responsible for applications to housing benefit for pension age households, temporary accommodation and supported accommodation, while new claims for 'mainstream housing support' has transferred to Universal Credit. The claim types remaining with the Council represents a lower proportion of overall numbers but by nature have a far greater work complexity. With this in mind, the performance indicators will show a decline in performance compared to historical results as we work through a reset in levels, it's a similar picture nationally.
- 1.2.3 The number of households paid housing benefit continues to significantly drop. Again, mostly due to the transfer to Universal Credit. Numbers have fallen by 23% over the last two years. On 1 February the total number of households getting help with housing benefit was 3492, of which 1688 are working age and 1804 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.
- 1.2.4 The number of households receiving help with council tax was 6439 on 1 February, 2356 of these were pension age. Again, the number of households receiving help is slowly reducing, which has been the trend since introduction of local council tax reduction schemes in 2013. There was an understandable spike of new claims during the pandemic but numbers are now back to lower than pre-pandemic times.

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:

None

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Andrew Rosevear

Sharon Shelton
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