

REPORT

To: POLICY & RESOURCES (FINANCE & CUSTOMER SERVICES) SUB COMMITTEE		Subject: PAYMENT OF LOCAL TAXATION & BENEFIT UPDATE
From: HEAD OF REVENUE SERVICES		
Date: 25 October 2013	Ref:- AC/BC UPDATE September 2013	

1 Introduction

1.1 This report provides an update on the payment performance for Council Tax and Non Domestic Rates and the administration of Housing Benefit and Council Tax Benefit / Reduction Scheme.

2 Council Tax

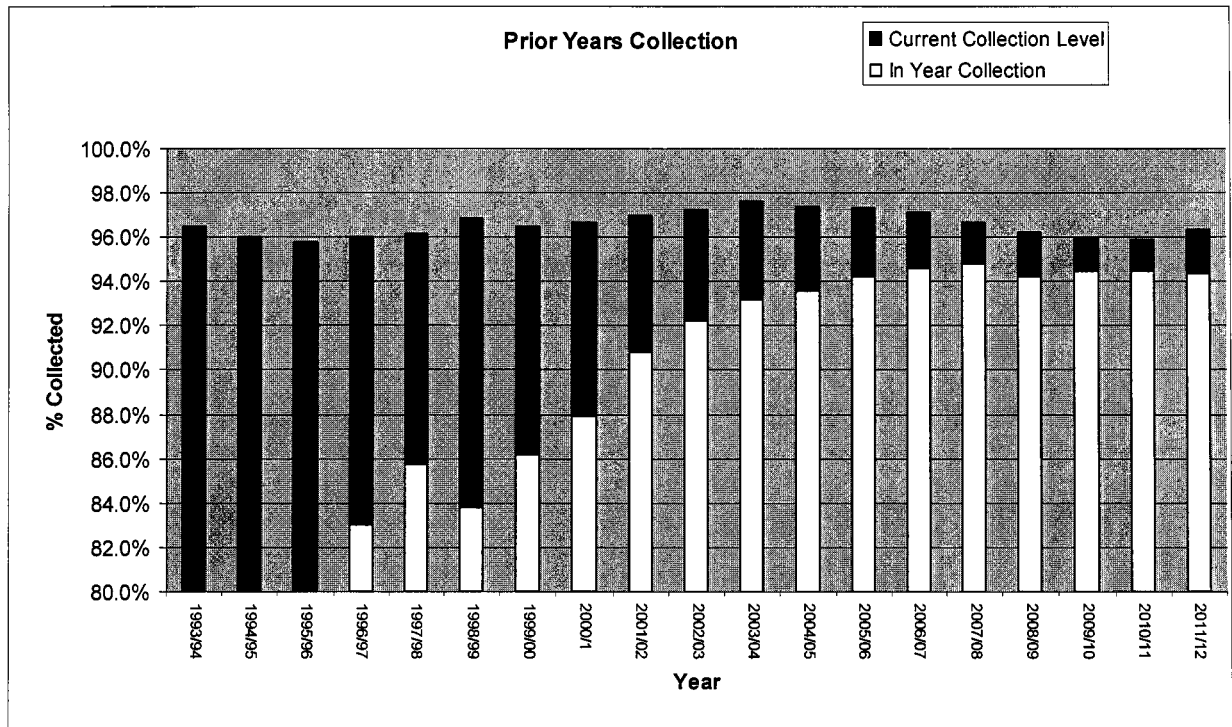
2.1 Details of the amount of Council Tax paid for the 2013/14 year together with comparable figures for the same period for the last financial year are shown below (Table 1). This shows a performance of 53.2% at the end of September 2013 compared with 53.8% for the same period last year. The payment is due monthly on the 28th and the reduction in payments generally relates to people deferring the payment till after the due date which fell on the September weekend and making payment the following week from the Tuesday onwards.

Table 1

Council Tax Payment Performance			
Month	Current Year 2013/14	Previous Year 2012/13	Movement
April	8.7%	8.4%	0.3%
May	17.4%	17.7%	-0.3%
June	26.0%	26.4%	-0.4%
July	35.7%	35.5%	0.2%
August	44.6%	44.8%	-0.2%
September	53.2%	53.8%	-0.6%

2.2 In regard to earlier years from April 2013 to September 2013 a further £1.5m has been collected in respect of Council Tax and Water Charges. Graph 1 shows the total percentage recovered for Council Tax for each prior year and highlights that 15 of the 17 previous years have now exceeded 96% payment levels, and 5 years having now achieved over 97%.

Graph 1



*In year collection not available for years 1993/94 to 1995/96 Strathclyde Regional Council responsible for collection.

3 Non Domestic Rates

3.1 Table 2 shows that payments made up to September 2013 are at 53.1% compared with 52.8% at the same point last year.

Table 2

Non Domestic Rates Payment Performance			
Month	Current Year 2013/14	Previous Year 2012/13	Movement
April	0.3%	0.4%	-0.1%
May	8.6%	8.2%	0.4%
June	15.6%	16.6%	-1.0%
July	24.6%	24.1%	0.5%
August	31.8%	31.7%	0.1%
September	53.1%	52.8%	0.3%

4 Benefits Update

4.1 Speed of Processing Indicators

New Claims – This indicator shows the average number of days taken to process a new claim.

2013/14 – Year to Date average for April 2013 – September 2013 = 25 days.

Change Events – This indicator shows the average number of days taken to process change events.

2013/14 – Year to Date average for April 2013 – September 2013 = 12 days.

Performance levels for new claims is above the DWP quarter one 2013/14 Scottish average of 27days. Change events are comparable with the quarter 1 average of 11 days.

4 Council Tax Reduction Scheme

From 1 April 2013 Council Tax Benefit was replaced with the Council Tax Reduction Scheme. The table below shows the change in total award from 2012/13 to 2013/14 and estimated NLC contribution as at 31 July 2013.

Month	2012/13 £m	2013/14 £m	Change +/-	NLC Cont £m
April	25,994	25,864	-130K	1.113
May	25,919	25,836	-83k	1.085
June	26,009	25,819	-190K	1.068
July	26,096	25,914	-182K	1.163
August	26,196	25,837	-359K	1.086
September	26,135	25,742	-393K	0.991

5 Discretionary Housing Payments

The DWP provides Local Authorities with an amount of funding each year for the operation of the Discretionary Housing Payment Scheme (DHP). This funding allows Council's to provide customers currently in receipt of Housing Benefit with further financial assistance, in addition to their welfare benefits, where the Local Authority considers that additional help with housing costs is required.

DWP provided £374,676 DHP funding. The government allows LAs to "top-up" the funding to a total of 2.5 times the DHP amount awarded. NLC topped up the fund by maximum permitted to £1,174,150.

As at 27 October 2013 the Council received 3,776 applications. 3,255 have been processed with 2,865 applicants receiving assistance.

Based on current levels of spend and known impending welfare changes the projected spend for the year is £1.215m, this will be limited to the £1.174m available and reflects the uncertainty on the level of applications which will be made during the remainder of the year.

6 Community Charge

The outstanding debt for Community Charge at 31/3/2013 amounted to £26,562,070 which is approximately 10% of the total charges raised during the 4 years that Community Charge operated. The Council has provided a 100% bad debt provision for the total outstanding amount, therefore any further recoveries are additional income.

During the period April 2013 – September 2013, £14,557 has been paid.

7 Council Tax Payment Date

As part of the efficiency savings for 2013/14 to 2015/16 a saving of £100,000 was agreed as a result of advancing the Council Tax payment date to the 1st of the month commencing 1st April 2014. The saving would arise from either the cash-flow savings from receiving monies four weeks earlier than previously or by reduced transaction costs from the transaction cost of handling Direct Debit (DD) instalments. To assist those affected the option to adopt DD as a means of payment has been promoted as this allows the payee to choose from either the 7th, 14th, 21st and 28th of the month as the payment date.

85,000 households have now been lettered to inform them of the change with accompanying publicity posters displayed in FSS and Libraries. In February / March an advertising campaign will be launched to coincide with the delivery of the 2014/15 annual bills to reiterate the information regarding the earlier payment date which will be included with the bill. All communications issued encourage the Council tax Payer to switch to Direct Debit to allow them greater flexibility in meeting their monthly council tax instalment.

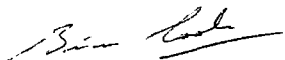
Changes to Empty property Discounts

The Government has introduced legislation which allows local authorities the opportunity to further address the difficulties that empty and under-used properties create within our communities.

The underlying principle of the legislation is that the charge for empty properties can be increased once the properties have been empty for 12 months. As detailed in the Committee report of 1 February 2013 from 1 April 2014 onwards Council Tax will be subject to the 100% levy for those dwellings unoccupied for 12 months or more. (There are provisions within the legislation which defers the increase in charge for a further 12 months if the property is being actively marketed for sale or lease). 853 letters have been issued to Council Tax Payers with liability for empty properties to advise them of this change. The letter details the legislative changes and explains the definition of a second home. Second homes are excluded from the levy.

8 Recommendation

Members are asked to note the report.



Head of Revenue Services

Members wishing further information please contact Mr Brian Cook, Head of Revenue Services, Tel: - 01698 – 403929.