

To: Policy & Resources (Finance & Customer Services) Sub-Committee	Subject: Payment of Local Taxation & Benefit Update	
From: Head of Revenue Services		
Date: 3 February 2014	Ref: BC / PD	

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 as at January 2014.

2. Council Tax

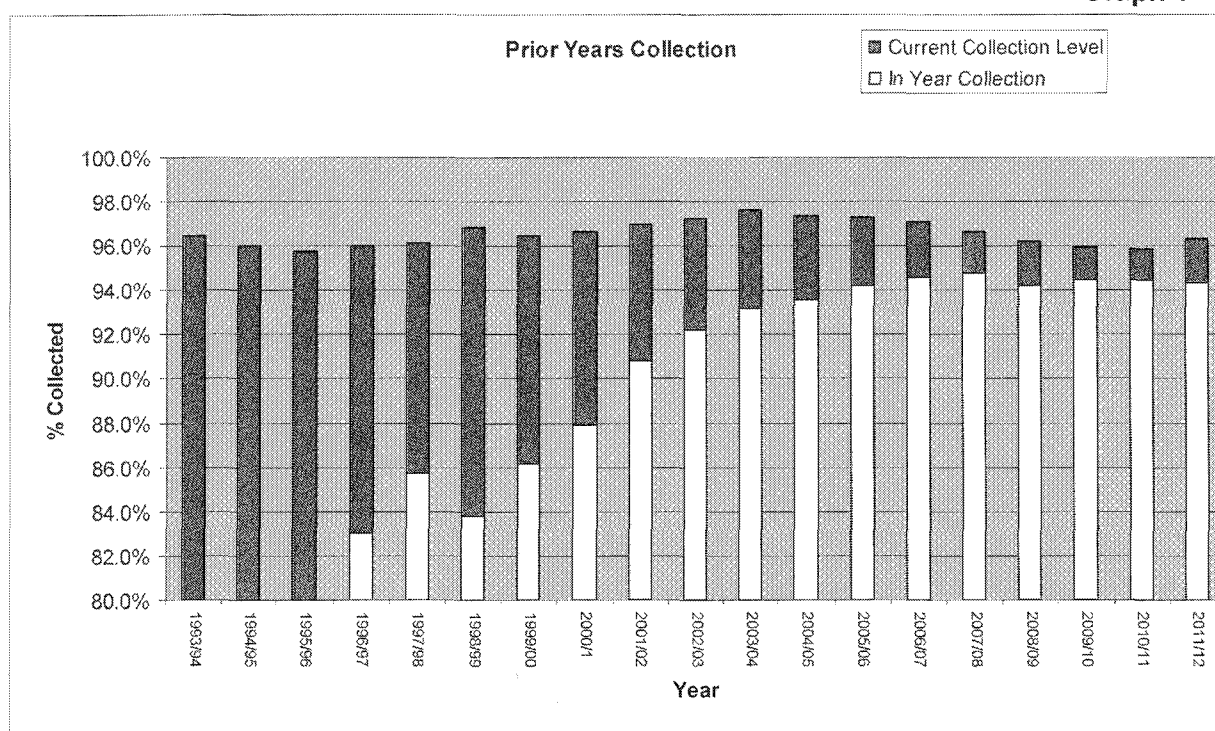
2.1. Details of the amount of Council Tax paid for the 2013/14 year together with comparable figures for the same period for the last financial year are shown below (Table 1). This shows a performance of 90.4% at the end of January 2014 compared with 90.3% for the same period in 2012/13.

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%
October	63.0%	63.2%	-0.2%
November	71.9%	72.4%	-0.5%
December	81.2%	81.4%	-0.2%
January	90.4%	90.3%	0.1%

2.2. In regard to collection for earlier years during April 2013 to January 2014 a further £3.8m has been collected in respect of Council Tax and Water Charges. Graph 1 overleaf 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



2.3. The process for the issue of the 2014/15 Council Tax demand notices will start this month. The delivery of these notices will commence in late February and be complete by early March.

2.4. From April 2014 the payment date for council tax payments will move to the 1st of the month with the first instalment due by 1st April 2014 and the final instalment due on the 1st January 2015. No payments will be due on the 1st February 2015 or 1st March 2015. As indicated in previous reports this will affect those customers who do not make payment by Direct Debit (DD). They will be due to make their first instalment by April 1st and where this is not achieved they will receive a reminder in the latter part of April. For those customers affected they may choose to adopt payment by DD and can choose to pay on either of the 7th, 14th, 21st or 28th of the month.

2.5. Those customers who currently pay by DD will continue to make payments on their chosen payment date.

2.6. The Government introduced legislation to allow local authorities the opportunity to further address the difficulties that empty and under-used properties create within their communities. The underlying principle of the legislation is that the council tax charge can be increased once properties have been empty for 12 months.

2.7. The Policy & Resources (Finance & Customer Services) Sub-Committee of 27th February 2013 approved the introduction of the increase on the Council Tax charge from 1 April 2014. Consequently the Council Tax liability will be subject to a 100% levy for those dwellings unoccupied for 12 months or more subject to exemptions defined in legislation in respect of second homes and properties actively marketed for sale or let. It is projected that this will apply to just over 400 (0.3%) of the properties within NLC.

3. Non Domestic Rates

3.1. Details of the amount of Non Domestic Rates (NDR) paid for the 2013/14 year together with comparable figures for the same period for the last financial year are shown overleaf (Table 2). This shows a performance of 87.6% at the end of January 2014 compared with 86.9% for the same period in 2012/13.

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%
October	62.2%	62.9%	-0.7%
November	71.3%	71.1%	0.2%
December	80.2%	79.0%	1.2%
January	87.6%	86.9%	0.7%

4. Benefits Update

4.1. Speed of Processing Indicators

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

Year to Date average from April 2013 to December 2013 = 25 days.

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

Year to Date average from April 2013 to December 2013 = 13 days.

4.2. In comparison to the Scottish average as at Quarter 2 the performance levels for new claims is better than the DWP comparator of 28 days, whilst change events are slightly less than the DWP comparator of 12 days.

5. Council Tax Reduction Scheme

5.1. 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 January 2014.

Table 3

Month	2012/13 £m	2013/14 £m	Change +/- £m
April	25,994	25,864	-0.130
May	25,919	25,836	-0.083
June	26,009	25,819	-0.190
July	26,096	25,914	-0.182
August	26,196	25,837	-0.359
September	26,135	25,742	-0.393
October	26,138	25,638	-0.500
November	26,199	25,558	-0.641
December	26,205	25,538	-0.667
January	26,211	25,563	-0.648

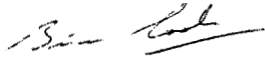
5.2. The award level for the Council Tax Reduction Scheme continues to be lower than in the previous year reflecting the consequence of the increase in DWP thresholds in contrast to the freezing in the level of Council Tax.

6. Community Charge

6.1. 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. As the Council has provided a 100% bad debt provision for the total amount outstanding any further recoveries are additional income. During the period April 2013 to January 2014, £29,424 has been paid.

7. Recommendation

7.1. Members are asked to note the report.



Head of Revenue Services

Members seeking further information on the contents of this report are asked to contact Mr. Brian Cook, Head of Revenue Services on 01698 403929