

NORTH LANARKSHIRE COUNCIL REPORT

To: Policy & Resources (Finance & Customer Services) Sub-Committee	Subject: Payment of Local Taxation & Benefit Update	
From: Head of Revenue Services		
Date: 23 January 2015	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 December 2014.

2. Council Tax

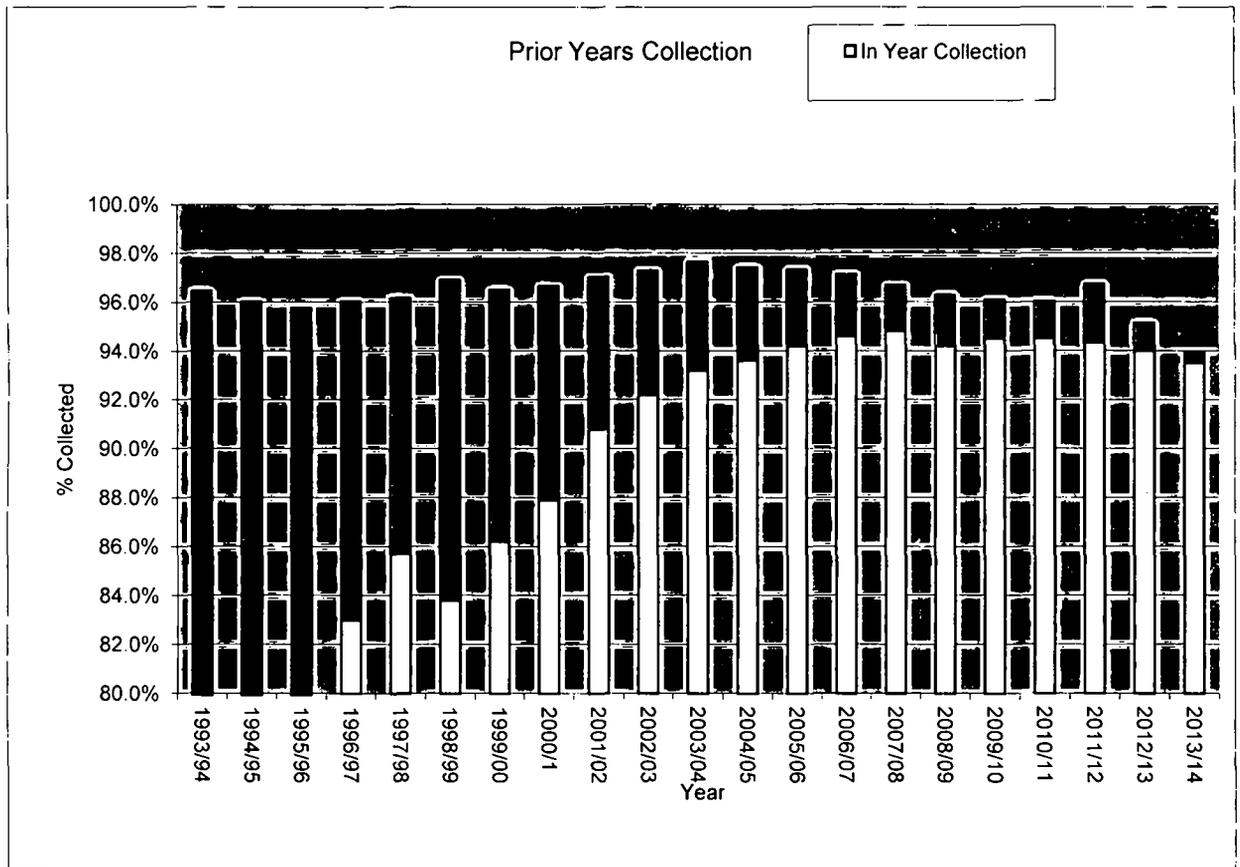
- 2.1. Due to the change in the collection date for 2014/15 it is not possible to accurately show a like for like comparison between current year and previous year collection. The table below details the estimated collection yield for council tax for the year split by month based on the payment frequency and method of payment. This shows a performance of 1.53% above expected collection level.

Table 1

Council Tax Collection			
	Estimated £m	Actual £m	Movement
April	10,500	11,080	5.52%
May	20,500	20,571	0.35%
June	30,230	30,047	-0.61%
July	39,730	39,600	-0.33%
August	48,930	48,906	-0.05%
September	58,330	58,697	0.63%
October	67,730	68,491	1.12%
November	77,130	77,869	0.96%
December	86,530	87,853	1.53%
January	95,930		
February	97,230		
March	98,480		
Yield	93.64%		

- 2.2. In regard to collection for earlier years during April 2014 to December 2014 a further £4.1m has been collected in respect of Council Tax and Water Charges. Graph 1 overleaf shows the total percentage recovered for Council Tax for each of the prior years and 15 of the 17 previous years have now exceeded 96% payment levels, and 5 years having now achieved over 97%.

Graph 1



2.3. From April this year the payment date for council tax payments moved to the 1st of the month. Those customers who currently pay by Direct Debit (DD) continue to make payments on their chosen payment date. For those customers affected they could choose to adopt payment by DD and on either of the 7th, 14th, 21st or 28th of the month. To encourage DD uptake and provide greater flexibility for Council Tax Payers affected by the change direct debit for the above dates has been extended to 12 months giving a choice of payment over ten or twelve months.

2.4. This has seen a marked uptake in Direct Debit as a method of payment. The table below shows a comparison with December 2013.

Dec DD Runs	7 th		14th		21st		28th		Total	
	No	Value £'000s	No	Value £'000s	No	Value £'000s	No	Value £'000s	No	Value £'000s
2014	15,747	£2,117	3,668	£442	5,690	£697	45,946	£5,990	71,051	£9,246
2013	12,841	£1,748	2,891	£351	4,687	£575	42,343	£5,541	62,762	£8,215

The table below shows the method of payment for current year breakdown as at January 2015.

Method	Number	
Cash	74,694	50.0%
Direct Debit	72,106	48.3%
Payroll Deduction	1,921	1.3%
Standing Order	712	0.4%

2.5. The Government introduced legislation to allow 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 council tax charge can be increased once properties have been empty for 12 months. From 1 April 2014 the Council Tax has been subject to a 100% levy for those dwellings unoccupied for 12 months or more. Properties actively being marketed for sale or let are exempt from the levy. In addition to this second homes are not subject to the levy. This is the only exemption afforded by North Lanarkshire Council. As at 31 December 2014 in the current year 745 properties have been subject to the levy to the sum of £369K.

3. Non Domestic Rates

3.1. Details of the amount of Non Domestic Rates (NDR) paid to date for the 2014/15 year together with comparable figures for the same period for the last financial year are shown (Table 2). This shows a performance of 80.6% collection as at the end of December 2014 compared with 80.2% for the same period in 2013/14.

Table 2

Non Domestic Rates Payment Performance			
Month	Current Year 2014/15	Previous Year 2013/14	Movement
April	1.5%	0.4%	1.1%
May	9.1%	8.6%	0.5%
June	18.5%	15.6%	2.9%
July	26.2%	24.6%	1.6%
August	33.4%	31.7%	1.7%
September	54.1%	53.2%	0.9%
October	63.1%	62.5%	0.6%
November	71.3%	71.3%	0.0%
December	80.6%	80.2%	0.4%

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 2014 to December 2014 = 24 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 2014 to December 2014 = 13 days.

4.2. In comparison to the Scottish average for quarter one and two 2014/15 the performance levels for new claims is equal to the DWP comparator of 24 days, whilst change events are higher than the DWP comparator of 11days.

4.3. The pressures of welfare reform have created additional workload for the Benefits Team. The Team continue to review working practices and procedures to identify efficiencies within the system to improve performance levels. Efficiencies identified to date have had a positive impact on processing times and these will continue to improve during the course of the year.

4.4. DWP have recently announced an initiative to reduce claimant fraud and error in the Housing Benefit system. The Benefits Team will engage with this initiative to positively impact on our processes for capturing and applying changes to claims.

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 2013/14 to 2014/15.

Table 3

Month	2013/14 £m	2014/15 £m	Change +/- £m
April	25,864	24,854	-1.010
May	25,836	24,953	-0.883
June	25,819	24,895	-0.924
July	25,914	24,932	-0.982
August	25,837	24,972	-0.865
September	25,742	24,901	-0.841
October	25,638	24,807	-0.831
November	25,558	24,744	-0.814
December	25,538	24,662	-0.876

5.2. The award level for the Council Tax Reduction Scheme continues to be lower than in the previous year.

6. **Discretionary Housing Payments**

6.1 To address the totality of the impact of the RSRS across Scotland the Scottish Government has agreed with the DWP that the power to vary the limit on the DWP base award would be devolved to the SG. The legislation changes in both Parliaments that are necessary to give effect to this are unlikely to be passed until the latter part of this year. Jointly the SG and the DWP have issued a letter to all LAs in Scotland confirming their intention and assuring that there would be no penalty for a LA that exceeds its spending against the 2.5x limit of the base award prior to the change in the legislation.

6.2 As a consequence of the letter from the SG/DWP the Council has been able to reassess the support provided to affected households and has implemented the following changes where the application for DHP related to a loss due to RSRS:

- all existing awards have been increased to 100% and backdated to 1st April 2014
- all new awards will be made at 100% and backdated to 1st April 2014
- any refused applications will be reconsidered and awarded at 100% and backdated to 1st April 2014

As at 31 December £3,090,938.84 has been paid or committed in Discretionary Housing Payments.

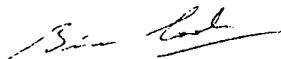
7. **Community Charge**

7.1. The outstanding debt for Community Charge at 31/3/2014 amounted to £26,541,497 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 2014 to December 2014, £17,266 has been paid.

7.2. The Scottish Government is currently consulting on the Community Charge Debt (Scotland) Bill and issued a call for evidence seeking a response by 7th January. Following consultation with the Convenor a response was submitted. The Bill intends to remove the liability to pay community charge debt and community water charge debt.

8. **Recommendation**

8.1. 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