

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: 1 May 2015	Ref: BC / PD	

1. Introduction

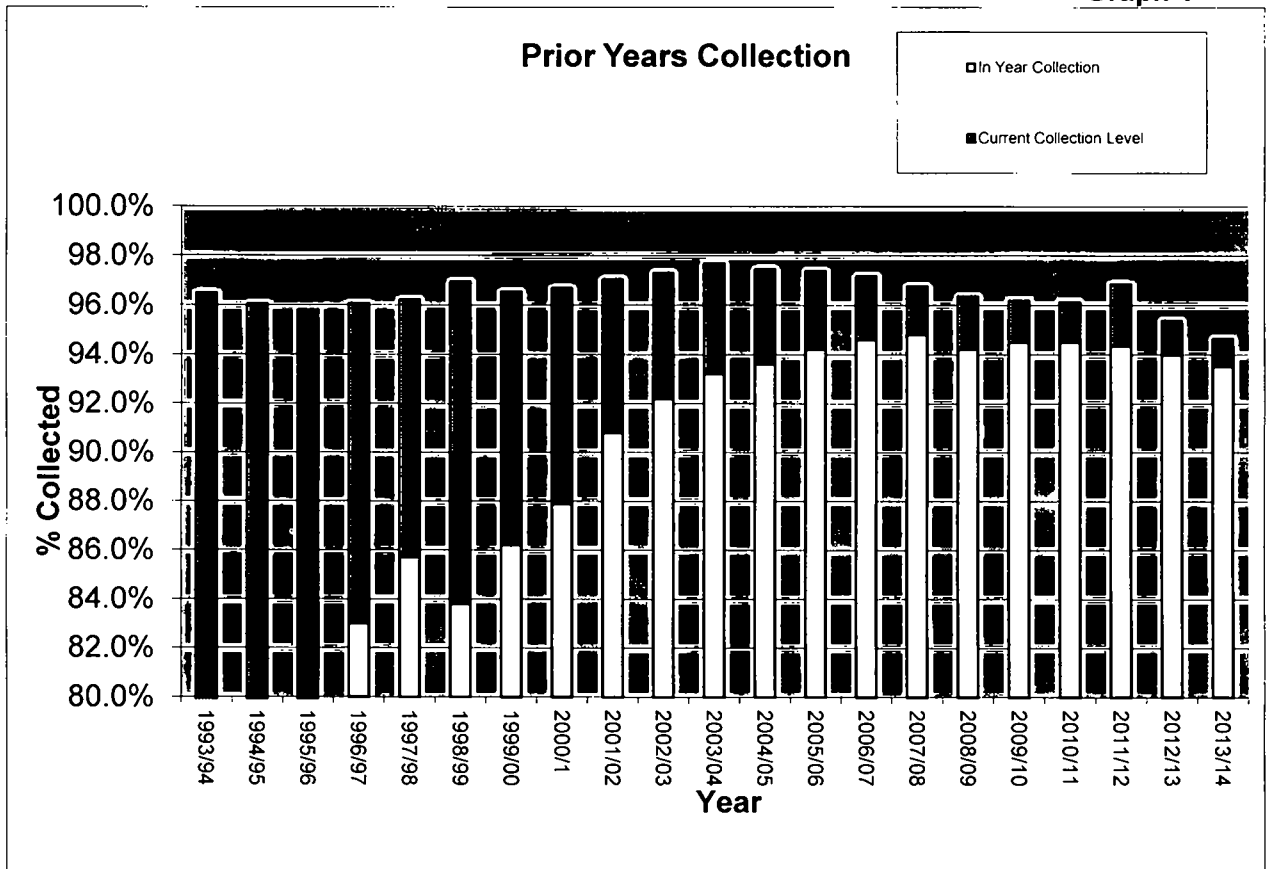
1.1. This report provides an update on the payment performance for Council Tax and Non Domestic Rates and the administration of Housing Benefit and Council Tax Benefit / Reduction Scheme as at 31 March 2015.

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 year end collection rate for 2014/15 is 93.9% an increase of 0.2% on the 93.7% collected during 2013/14

2.2. In regard to collection for earlier years during April 2014 to March 2015 a further £5.1m has been collected in respect of Council Tax and Water Charges. Graph 1 below shows the total percentage recovered for Council Tax for each of the prior years with 18 of the 21 previous years have now exceeded 96% payment levels, and 6 years having now achieved over 97%.

Graph 1



2.3. From April 2014 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.

Table 1 below shows the prior year comparison of the 4 monthly DD payment dates. This has seen a marked uptake in Direct Debit as a method of payment with an increase of 8,255 DD payees (13.25%). Table 2 show the breakdown of the method of payment as at March 2015.

Table 1

December DD Runs	7 th		14th		21st		28th		Total	
	No	Value £'000s	No	Value £'000s	No	Value £'000s	No	Value £'000s	No	Value £'000s
2014	15,718	£2,154	3,632	£445	5,596	£691	45,650	£5,985	70,596	£9,275
2013	12,831	£1,778	2,876	£352	4634	£573	42,000	£5,521	62,341	£8,226

Table 2

Method	Number	
Cash	73,997	49.5%
Direct Debit	72,881	48.9%
Payroll Deduction	1,926	1.3%
Standing Order	665	0.4%

2.4. 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 March 2015 in the current year 835 properties have been subject to the levy with a cumulative liability of £371,000.

3. Benefits Processing

3.1. The pressures of the Welfare Reform programme 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.

3.2. Table 3 below provides a comparison of the National Speed of Processing Indicators for Scottish Authorities.

- New Claims –the average number of days taken to process a new claim.
- Change Events –the average number of days taken to process change events.

Table 3

Processing Indicators	NLC YtD	Scottish Average YtD	Variance
New Claims	24	24	Nil
Change Events	9	11	2 days

3.3. In comparison to the latest available data for the Scottish average (December 2014) the performance levels for new claims is equal to the DWP comparator of 24 days, whilst change events are processed 2 days quicker on average within NLC than the DWP comparator of 11days.

3.4. DWP have recently announced an initiative, the Fraud & Error Reduction Incentive Scheme (FERIS), to reduce claimant fraud and error in the Housing Benefit system. The Benefits Team have engaged with this initiative to positively impact on our processes for capturing and applying changes to claims.

4. Discretionary Housing Payments

4.1. to address the totality of the impact of the Removal of Spare Room Subsidy (RSRS, also known as the Bedroom Tax) 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. 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.

4.2. As a consequence of the letter from the SG/DWP the Council reassessed the support provided to affected households and ensured that all eligible applicants were awarded 100% DHP where it related to a loss due to RSRS. For the year this amounted to £2,889,877.

4.3. Overall the amount of DHP awarded as at 31 March 2015 was £3,308,407. This provided support to claimants affected by a number of welfare reform changes (e.g. RSRS, Benefit Cap, LHA restrictions etc) along with claimants on Housing Benefit who needed assistance to continue to meet their rental obligations.

5. Council Tax Reduction Scheme

5.1. Table 4 below shows the change in total award over the last three years. From 1 April 2013 Council Tax Benefit was replaced with the Council Tax Reduction Scheme.

Table 4

Month	2012/13	2013/14	2014/15	Change 2012/13 to 2014/15	Change 2013/14 to 2014/15
	£m	£m	£m	£m	£m
April	£25.994	£25.864	£24.854	-£1.140	-£1.010
May	£25.919	£25.836	£24.953	-£0.966	-£0.883
June	£26.009	£25.819	£24.895	-£1.114	-£0.924
July	£26.096	£25.914	£24.932	-£1.164	-£0.982
August	£26.196	£25.837	£24.972	-£1.224	-£0.865
September	£26.135	£25.742	£24.901	-£1.234	-£0.841
October	£26.138	£25.638	£24.807	-£1.331	-£0.831
November	£26.199	£25.558	£24.744	-£1.455	-£0.814
December	£26.205	£25.538	£24.662	-£1.543	-£0.876
January	£26.211	£25.563	£24.507	-£1.704	-£1.056
February	£26.281	£25.569	£24.437	-£1.844	-£1.132
March	£26.298	£25.547	£24.441	-£1.857	-£1.106

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

6. Non Domestic Rates

6.1. Details of the amount of Non Domestic Rates (NDR) paid for the 2014/15 year together with comparable figures for the same period for the last financial year are shown in Table 5 below. This shows a performance of 95.5% collection as at 31 March 2015 compared with 95.4% for the year end position in 2013/14.

Table 5

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%
January	88.3%	87.7%	0.6%
February	95.0%	94.4%	0.6%
March	95.5%	95.4%	0.1%

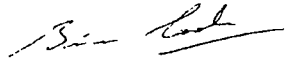
7. Community Charge

7.1. The outstanding debt for Community Charge at 31/3/2015 amounted to £26,523,324 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 were additional income. During the period April 2014 to March 2015, £17,969 was recovered.

7.2. The Scottish Government has introduced the Community Charge Debt (Scotland) Act 2015. This Act removed liability to pay community charge debt and community water charge debt. Scottish Government have committed to recompense a fixed amount to the Council to mitigate against the loss of this income stream.

8. Recommendation

8.1. The Committee is asked to note the report.

A handwritten signature in black ink, appearing to read "Brian Cook", with a horizontal line underneath.

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