

To: Policy & Resources (Finance & Customer Services) Sub-Committee	Subject: Payment of Local Taxation & Benefit Update	
From: Head of Revenue and E-Government Solutions		
Date: 25 April 2016		

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 2016.

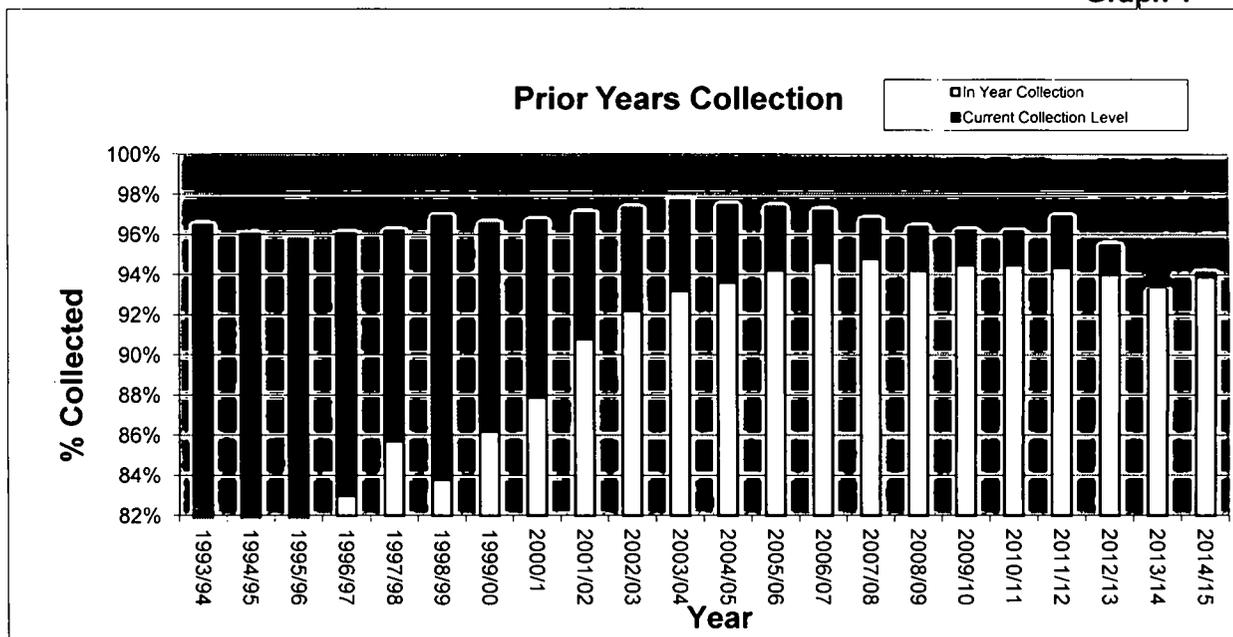
2. Council Tax

2.1. Details of the amount of Council Tax paid for the 2015/16 year together with comparable figures for the same period for the last financial year are shown below. This shows a performance of 93.8% at the end of March 2016 which is 0.1% lower than the collection level for the same period in 2014/15. This arises from the impact of the change in recovery agents in the latter part of the year.

Council Tax Collection Performance			
Month	Current Year 2015/16	Previous Year 2014/15	Difference
April	10.5%	10.6%	-0.1%
May	19.3%	19.6%	-0.3%
June	28.6%	28.6%	-
July	37.7%	37.7%	-
August	46.6%	46.5%	0.1%
September	55.7%	55.8%	-0.1%
October	64.8%	65.1%	-0.3%
November	73.9%	74.1%	-0.2%
December	82.9%	83.5%	-0.6%
January	91.1%	91.7%	-0.6%
February	92.6%	92.2%	-0.4%
March	93.8%	93.9%	-0.1%

2.2. In regard to collection for earlier years during April 2015 to March 2016 a further £4.8m 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 22 previous years have now exceeded 96% payment levels, and 6 years having now achieved over 97%. Collection levels increase from the in year collection level, year on year in part due to period of time debt has been outstanding and therefore longer collection period.

Graph 1



2.3. 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 2016 in the current year 2015/16, 965 accounts have been subject to the levy to the sum of £393K.

3. Non Domestic Rates

3.1. Details of the amount of Non Domestic Rates (NDR) paid for the 2015/16 year together with comparable figures for the same period for the last financial year are shown (Table 2). This shows a performance of 95.6% collection as at 31 March 2016 which is up by 0.1% to the position at the same stage last year.

Table 2

Non Domestic Rates Payment Performance			
Month	Current Year 2015/16	Previous Year 2014/15	Movement
April	1.5%	1.5%	-
May	10.0%	9.1%	0.9%
June	19.0%	18.5%	0.5%
July	26.5%	26.2%	0.3%
August	34.2%	33.4%	0.8%
September	54.7%	54.1%	0.6%
October	63.1%	63.1%	-
November	70.4%	71.3%	-0.9%
December	80.6%	80.6%	-
January	88.2%	88.2%	-
February	95.1	95.0%	0.1%
March	95.6%	95.5%	0.1%

4. **Benefits Update**

4.1. Speed of Processing Indicators

The table shows a comparison of the speed of processing statistics for the current and previous year including the latest available DWP Scottish average times.

April 2015 - March 2016

Process	YTD 2015/16	YTD 2014/15	Scottish Average Q3 2015/16
New Claims	22	24	23
Change of Circumstances	6	9	9

Speed of processing for new applications and changes have improved from the previous year position and are comparable with the quarter three Scottish average.

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 2014/15 to 2015/16.

Table 3

Month	2015/16 £m	2014/15 £m	Change +/- £m
April	23,887	24,854	-0,967
May	23,787	24,953	-1,166
June	23,767	24,895	-1,128
July	23,707	24,932	-1,225
August	23,659	24,972	-1,313
September	23,551	24,901	-1,350
October	23,561	24,807	-1,246
November	23,526	24,744	-1,218
December	23,517	24,662	-1,145
January	23,498	24,507	-1,009
February	23,479	24,437	-0,958
March	23,472	24,441	-0,969

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. From 1 April 2014 the Scottish Government has increased the funding made available from DWP to mitigate "Bedroom Tax" reductions." In addition the fund is used to support claimants affected by Benefit Cap, LHA restrictions and adhoc reasons such as financial hardship, assistance into work etc.

6.2. The projected spend for 2015/16 on the estimated total number of applications for the year was £3,663m. As at 31 March 2016 £3,586m was paid from the fund for all successful applications. A breakdown of the spend is detailed below. The unused £77k from the £250K made available from Council funds will be carried forward to next year

to provide additional support to those affected by restriction to Local Housing Allowance particularly the under 35 age group and benefit cap cases.

Benefit Cap	40	66,202.07
Removal of spare room subsidy	7,939	3,241,629.68
LHA restriction	186	123,323.86
Combination of reforms	42	37,485.23
Ad Hoc	145	116,947.56
	8,352	3,585,588.40

6.3 The Scottish Government will confirm their contribution toward the funding to mitigate the spare room subsidy in May 2016. Depending on the settlement it may be necessary use part of the £187k set aside for retrospective payments for 2014/15 made during 2015/16.

6.4 In November 2016 the DWP plan to introduce changes to the benefit cap. The benefit cap limit will reduce from £26,000 to £20,000 for residents of North Lanarkshire Council. This will result in a greater loss for the 40 claimants already affected by the cap and DWP estimate around 300 – 400 additional claimants will see their benefit reduced as a result of the change. Although they have increased DHP for this category it is not possible to protect the existing claimants to the same extent as last year given the likely volume of new applicants. Therefore the DHP award to existing benefit cap cases will require to be reduced.

6.5 For 2016/17 for the first 13 weeks of the year we will support those continuing to be affected by benefit cap at the same level as 2015/16 and reduce funding progressively thereafter as outlined below. New applicants will be supported at the ongoing rate of up to £7.50 for weekly losses and 10% of the loss above this.

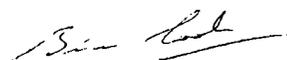
- April to June - full funding for weekly losses up to £25 and then 75% of the loss above this
- July to September – funding up to £15 for weekly losses and 50% of the loss above this
- October onwards - funding up to £7.50 for weekly losses and 10% of the loss above this

6.6 DWP's expectation is that NLC will spend £67,500 of the available DHP budget in respect of benefit cap cases. It is estimated that the funding to support the above scheme will cost around £87,000. The additional sum required will be met from the balance of £70,000 for the year 2015/16.

6.7 The above scheme is based on estimates of the maximum numbers of claimants who will potentially be subject to the benefit cap provided by DWP. Should the actual numbers be lower than estimated the scheme will be reviewed to enhance the financial support available.

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 & e-Government Solutions on 01698 403929