

To: Policy & Resources (Finance & Customer Services) Sub-Committee	Subject: Payment of Local Taxation & Benefit Update	
From: Head of Revenue and E-Government Solutions		
Date: 1 February 2017	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 Reduction Scheme as at 31 January 2017.

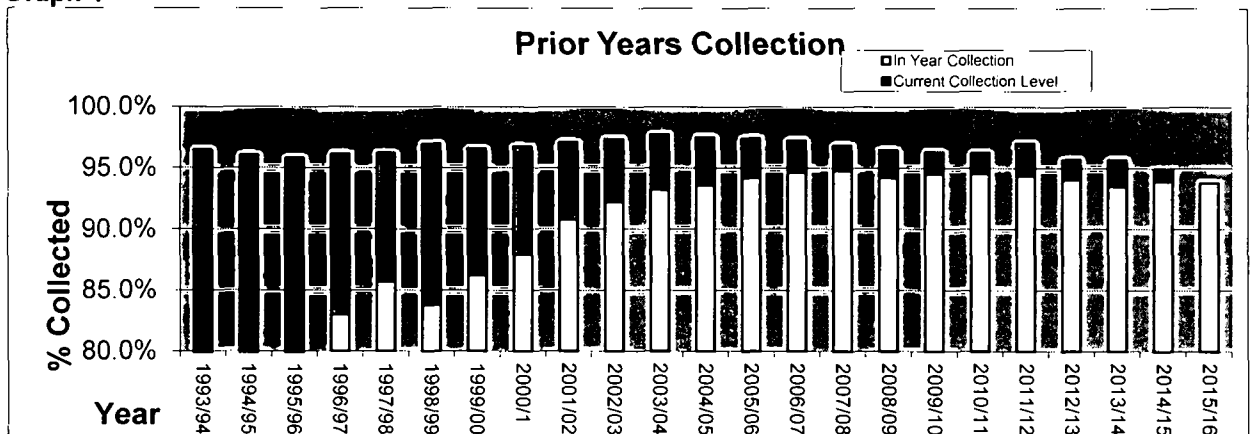
2. Council Tax

2.1. Details of the amount of Council Tax paid for the 2016/17 year together with comparable figures for the same period for the last financial year are shown below. This shows a performance of 90.7% at the end of January which is 0.3% lower than the collection level for the same period in 2015/16. This is mainly influenced by the increase in the number of payees who have opted to make payment over 12 months by Direct Debit.

Month	Current Year 2016/17	Previous Year 2015/16	Difference
April	10.4%	10.6%	-0.2%
May	19.5%	19.4%	0.1%
June	28.4%	28.6%	-0.2%
July	37.3%	37.7%	-0.4%
August	46.5%	46.6%	-0.1%
September	55.5%	55.7%	-0.2%
October	64.6%	64.8%	-0.2%
November	73.6%	73.9%	-0.3%
December	82.5%	82.8%	-0.3%
January	90.7%	91.0%	-0.3%

2.2. In regard to collection for earlier years during April 2016 to January 2017 a further £3.2m 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



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. From 14 September 2016 the Council introduced an amendment for new owners. New owners are exempt from the levy for a period of 6 months where the statutory exemption period has been exhausted. As at 31 January 2017, in the current year 2016/17, 819 accounts have been subject to the levy to the sum of £408K.

4. **Non Domestic Rates**

4.1. Details of the amount of Non Domestic Rates (NDR) paid for the 2016/17 year together with comparable figures for the same period for the last financial year are shown (Table 2). This shows a performance of 87.8% collection as at 31 January 2017 which is down by 0.4% in comparison to the same period last year.

Table 2

Non Domestic Rates Payment Performance			
Month	Current Year 2016/17	Previous Year 2015/16	Movement
April	0.7%	1.5%	-0.8%
May	9.2%	10.0%	-0.8%
June	18.2%	19.0%	-0.8%
July	26.1%	26.5%	-0.4%
August	33.3%	34.2%	-0.9%
September	55.5%	54.7%	0.8%
October	63.2%	63.1%	0.1%
November	70.6%	70.4%	0.2%
December	80.7%	80.6%	0.1%
January	87.8%	88.2%	-0.4%

5. **Benefits Update**

5.1. 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 for 2016/17.

April 2016 - October 2016

Process	YTD 2016/17	YTD 2015/16	Scottish Average Qtr 2 YTD 2016/17
New Claims	21	23	23
Change of Circumstances	8	9	7

Speed of processing for new applications and changes have improved from the previous year position and are comparable with the year 2016/17 quarter 2 YTD Scottish average.

6. Council Tax Reduction Scheme

6.1. 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 2015/16 to 2016/17.

Table 3

Month	2016/17 £m	2015/16 £m	Change +/- £m
April	22,976	23,887	-911
May	22,853	23,787	-934
June	22,761	23,767	-1,006
July	22,716	23,707	-991
August	22,682	23,659	-977
September	22,602	23,551	-949
October	22,523	23,561	-1,038
November	22,473	23,526	-1,053
December	22,429	23,517	-1,088
January	22,407	23,498	-1,091

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

7. Discretionary Housing Payments

7.1. 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.

7.2. On 7th November 2016 the Benefit Cap threshold for claimants living outside greater London reduced from £26,000 to £20,000. The number of cases affected by the cap was less than predicted by DWP. Currently 202 cases are subject to the cap.

7.3. All residents subject to the cap have been contacted and encouraged to apply for a DHP. In addition to written communication the Financial Inclusion Team and Housing Sustainability Team have been cold calling to encourage and support residents apply for DHP.

7.4. Uptake has been relatively low with payments being made to 82 residents affected by the cap. However work will continue to maximise applications.

7.5. The original DHP budget for benefit cap assistance was determined based on the estimates provided by DWP. The lower number of capped cases has allowed for a review of the budget spend and further financial assistance will be given to those affected.

7.6. As at 31 January 2016 £3.518m was paid from the fund for all successful applications. A breakdown of the expenditure is detailed below.

ALL		
Benefit Cap	109	53,715.30
Removal of spare room subsidy	7883	3,365,636.71
LHA restriction	107	58,983.51
Combination of reforms	2	1,239.94
Core Funding	85	38,675.30
	8186	3,518,250.76

8. Council Tax Multiplier

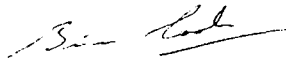
8.1. The Scottish Government have introduced legislation to charge a higher Council tax charge for properties in Bands E to H by changing the multiplier which determines the charge ratio across council tax bands from 1/9ths to 1/360ths and increasing the ratio for the higher banded properties. The change is effective from 1 April 2017 and applies to Council Tax Charges only. The banding ratios for Water charges are unaffected. The table below shows the change to current Council Tax charges before and after the new multiplier is applied.

Band	Current multiplier	Revised multiplier from 1 April 2017	2016/17 Council Tax (Current)	2016/17 Council Tax (if new multipliers applied)	Percentage change
A	6/9	240/360	£732	£732	0%
B	7/9	280/360	£854	£854	0%
C	8/9	320/360	£976	£976	0%
D	9/9	360/360	£1,098	£1,098	0%
E	11/9	473/360	£1,342	£1,442.65	7.5%
F	13/9	585/360	£1,586	£1,784.25	12.5%
G	15/9	705/360	£1,830	£2,150.25	17.5%
H	18/9	882/360	£2,196	£2,690.10	22.5%

8.2. Single person households with net income of up to £16,750 and all other households with net income of up to £25,000 and less than £16,000 in savings are eligible to apply for a full exemption from the increased charge through the council tax reduction scheme.

9. Recommendation

9.1. 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