

POLICY & RESOURCES CABINET BOARD

REPORT OF THE HEAD OF FINANCIAL SERVICES – DAVE REES

19TH FEBRUARY 2015

SECTION B – MATTERS FOR INFORMATION

WARDS AFFECTED: ALL

Council Tax – Single Person Discount Review

1. Purpose of Report

1.1 Following a previous report to members on the 27th March 2014, and the subsequent agreement to commence the Council Tax Single Person's Discount Review, this report provides the results of the review undertaken in partnership with Capita services.

2. Background

2.1 Single person discount is a discount awarded to a person who solely occupies a dwelling, disregarding any dependant children or specific exempt persons. It is a discount of 25% of the Council Tax Liability.

2.2 By law local authorities are required to carry out single person discount reviews, this authority reviews single person discount on a bi annual basis.

2.3 The review for 2014/15 commenced in June 2014 and was completed in December 2014.

2.4 On the 3rd June 2014, Capita was sent a file of accounts in receipt of single person discount. Capita processed this information against different data sets available, for example credit card records, phone records, credit reference agencies to determine how many people had a recent financial link to the address. Where the only person identified with a financial link to the property was the person liable for Council Tax SPD continued as the account was deemed low risk. Where it was identified that another person(s) had a financial link to the property the Council Tax payer was sent a review form.

3. Statistics and results

3.1 Abbreviation CTRS = Council Tax Reduction Scheme (Council Tax Benefit)

Action	Numbers
SPD's reviewed	18,674
Low risk cases (SPD continued)	10,586
Middle/High risk cases (sent a review form)	8,088
Cases where SPD removed (non CTRS a/cs)	408
Cases where SPD removed (CTRS a/cs)	202

3.2 Analysis of the additional income generated for the non CTRS accounts reviewed is easy to extract as it equates to 25% of the Council Tax liability for the period the SPD was cancelled. The amount of additional revenue in 2014/15 from these accounts totals £95,797 with an estimated full year value of £122,000.

3.3 Analysis of the additional income generated from CTRS cases is more difficult to extract due to the numerous permutations of calculations depending on the customers income and the second adult declared at the property. However, if it is assumed that the majority of claimants were in Council Tax Property Band B then the amount of the Council Tax Base would have increased and generated income of over £50,000. Thus increasing the Council Tax yield in a full year by some £172,000 per annum.

3.4 In relation to the CTRS cases Members should note that in some instances Benefit has been removed completely due to the addition of a partner's income. Some have received additional CTRS support to cover increased cost whilst others have received a reduction in such support and are required to pay some additional Council Tax.

4. Case study of an account claiming SPD incorrectly

4.1 Mr A had been receiving SPD since 1 April 1993. Mr A had previously been sent review forms and declared that he lived alone at the property. In July 2014, following a letter from Capita informing him of the data matching exercise being undertaken by the Authority Mr A visited the office to inform us that his partner was moving back into the property. Following further investigation it was established that Mrs A had financial connections to the property since 1993 and SPD was removed from 1 April 1993. Mr A was given the right to appeal against our decision but agreed to repay the debt, he paid £3511.29 in July 2014.

5. Cost of review

- 5.1 The review was undertaken by Capita on a “payment by results” basis. It was agreed that Capita would charge for stationery plus £20.66 per SPD cancelled which remained cancelled for a period of 3 months or more following the removal.
- 5.2 The total cost of the review is £14,725.16 broken down as follows:

Total removals 610 @ £20.66 = £12,602.60
Provision of business reply envelopes = £2,122.56

6. Recommendation

- 6.1 That Members note that the single person discount review has been a successful project for the Council Tax team in conjunction with Capita Services in generating additional revenue for Neath Port Talbot CBC, ensuring correctness of discounts awarded and accuracy of the Council Tax base.

7 List of Background Papers

None.

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