

TITLE	Council Tax Single Person Discount Reviews
FOR CONSIDERATION BY	Overview and Scrutiny Management Committee on 24 November 2014
WARD	None Specific
DIRECTOR	Graham Ebers, Director of Finance and Resources

OUTCOME / BENEFITS TO THE COMMUNITY

To offer excellent value to residents for the Council Tax they contribute through ensuring only valid claims for Single Person Discounts are allowed.

RECOMMENDATION

That the Overview and Scrutiny Committee note the contents of the report and the work done by the Council to maintain the initiative against SPD fraudulent claims.

SUMMARY OF REPORT

The full Council Tax bill assumes that there are two adults living in a property. If only one adult liable for council tax is living in the property (as their main home) the bill may be reduced by 25%, this is known as a single person discount (SPD).

Both the National Fraud Authority and the Audit Commission have highlighted the potential fraud in single person discount claims. Therefore, the bi-annual National Fraud Initiative (NFI) completes a review of SPD claims against electoral roll data. Wokingham Borough Council has always undertaken additional single person discount reviews, historically writing to claimants asking them to confirm if they were still entitled to the discount, and if not, the date that the discount should be cancelled from.

In 2010 we issued press releases to inform residents that we would be undergoing a review of all single person discounts and asking anyone who thought they may not be entitled to the discount to contact the Council immediately. During 2010/2011 we undertook a review of all our SPDs working in conjunction with Experian (a credit reference agency) who undertook a data matching exercise against our records. This exercise resulted in additional tax income to the Council of over £400,000 over the two financial years covered by the exercise.

In 2013/2014 we undertook a review with Northgate, who took an extract of our data to match with Experian records. Again we publicised that we were going to undertake this review and asking for residents to contact us if they wished to cancel the single person discount. This exercise has resulted in an additional £389,000 tax income to the Council to date.

We are currently commencing the second stage of the Northgate review, completing a

We are currently commencing the second stage of the Northgate review, completing a data matching exercise against any new single person discounts that have been awarded since the last matching exercise in 2013. We do not have any results from this exercise to report as yet.

Going forward, we intend having an annual data matching exercise carried out under a contract with a suitable provider. It is expected that this exercise will increase council tax income by at least £100k per annum.

Data has been collected from other Berkshire authorities on how they deal with SPD reviews and details are in the table below:

Authority	No of Props	No of SPDs	% of SPD	Review Cycle	Approach
Bracknell	48,000	14,000	29%	Annual	<ul style="list-style-type: none"> External process using Datatank which data matches with credit records commenced 2014.
Reading	No data has been supplied				<ul style="list-style-type: none"> Just commenced a review with Capita. Have not undertaken any review for a number of years
RBWM	62,244	17,584	28%	Every two years	<ul style="list-style-type: none"> External process using Datatank with data matches with credit records
Slough	No data has been supplied				<ul style="list-style-type: none"> No details have been supplied
West Berkshire	64,000	17,000	26%	Annual	<ul style="list-style-type: none"> Letter with a tick box. Every other year use Experian, which data matches with credit records and NFI which data matches with electoral roll.
Wokingham	63,818	15,829	24%	Annual/ Rolling review	<ul style="list-style-type: none"> First external credit record data matching was in 2010 with Experian. External process in place using Northgate which data matches with credit records held by Experian, contacts those who may not be eligible for further

					<p>information and cancels the discount for any non-responder</p> <ul style="list-style-type: none"> • Every other year NFI which data matches with electoral roll) • For the rolling review we use Northgate data matching with Experian to authenticate new SPDs set up during the year
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FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	See other financial implications	Y	R
Next Financial Year (Year 2)	See other financial implications	Y	R
Following Financial Year (Year 3)	See other financial implications	Y	R

Other financial information relevant to the Recommendation/Decision

A total of £789,000 per annum has been achieved by the work undertaken since 2010. The ongoing programme of actions is estimated to add a further £100,000 per annum each year to this figure.

List of Background Papers

None

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