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| TITLE | Council Tax Single Person Discount Reviews |
| FOR CONSIDERATION BY | Overview and Scrutiny Management Committee on 2 November 2015 |
| WARD | None Specific |
| DIRECTOR | Graham Ebers, Strategic 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 continuing 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.

Previous full Single Person Discount Reviews were undertaken in 2010, with Experian, (which resulted in additional Council Tax income of over £400,000) and in 2013/2014 with Northgate (which resulted in additional Council Tax income of £389,000), a total income of over £789,000.

We commenced an exercise in 2014/15 (which was completed in 2015/16) which was 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 2013/14. This resulted in an additional £31,554 tax income to the Council.

Going forward, we intend having a full data matching exercise in 2016/17 carried out under a contract with a suitable provider. We will look to the provider to cover the full service, including dealing with all enquiries, cancelling SPDs etc. It is expected that this exercise will increase council tax income by at least £100k.

In the exercise commenced in 2014/15 there were 61 cases of SPD cancelled, out of a

total of 1,170 new SPD cases, of which 509 required reviewing. The remaining 661 cases did not highlight any discrepancy under the data matching exercise and did not require any further action..

In the previous full exercise in 2013/14 there were 456 cases of SPD cancelled out of a total of 15,971 SPD cases, of which 4,355 required reviewing. The remainder did not highlight any discrepancy under the data matching exercise and therefore did not require any further action.

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 | | |
| Next Financial Year (Year 2) | See other financial implications | | |
| Following Financial Year (Year 3) | See other financial implications | | |

Other financial information relevant to the Recommendation/Decision

The first full review achieved over £400,000 of additional income. The last full review achieved £389,000 of additional income, and the follow up review achieved £31,554, a total of £420,554 additional income. It is anticipated that the next review undertaken will increase income by at least £100,000. As the reviews are undertaken more regularly, the increased income will be lower.

List of Background Papers

None

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