

<b>TITLE</b>	<b>Council Tax Single Person Discount Reviews</b>
<b>FOR CONSIDERATION BY</b>	Overview and Scrutiny Management Committee on 7 March 2016
<b>WARD</b>	None Specific
<b>DIRECTOR</b>	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 Management Committee consider the contents of the report in relation to the cost of the SPD data matching exercises and the additional income to the Council.

## **SUMMARY OF REPORT**

Details of the Single Person Discount Reviews and the additional income generated have previously been circulated to the Committee. This report is to give an update on the cost of the exercise and to respond to questions raised.

The Northgate Single Person Discount Review carried out in 2013/14 generated additional income of £389,434.46 and the cost of the exercise was £13,735.06. The second stage, to match any new single person discount applications, generated additional income of £32,478.38 at a cost of £924.30. The cost includes all the work in connection with the exercise, starting with the data matching, all correspondence, telephone calls and updating the records with cancellations. Full reporting was provided to Wokingham Borough Council.

### **Next Review of Single Person Discounts**

We will shortly be writing out to organisations asking them to offer quotations to undertake a single person discount review.

The review will take the format of the previous review with Northgate, in that the successful organisation will take an extract of all SPD data, and match that data against credit reference data.

All cases where there is an indication that there is more than one person over 18 at the property will be canvassed. All updates will be made to the Northgate iWorld system, any non-responders will be contacted. All contact is direct with the organisation carrying out the review. There is no impact on the staff within the revenues team to do this work. All wording of letters, reminders etc. will be agreed by WBC and will have WBC logo.

Full reporting will be required.

### Feasibility of using a signed declaration form

Prior to the first external review, we used to send a declaration form to be signed. The letter asked for the council tax payer to either confirm that they were still the only adult resident in the property or that they had stopped being the only adult resident in the property. There was no data matching against any credit reference data so no validation as to whether the discount was correct or not.

The cost of printing and mailing the letters for an internal review would be:

15,886 letters at 0.05p = £794.30  
Envelopes at £35 per 1,000 = £560.00  
Postage at 0.36p - £5,719.

In addition, we would need to employ a temporary member of staff to produce the letters, update the records on iWorld, produce reporting of the cases cancelled, deal with queries from the review letters etc. This would equate to at least 4 months' work at an hourly rate of around £12 per hour (37 hrs x £12 ph = £444 per week, 444 x 4 = £1776 per month (4 weeks), £1776.00 x 4 = £7,104. A total of at least £14,177 compared to a figure of £13,735 with the last full external review.

On our first external review we had 920 cases cancelled. On our second external review we had 612 cases cancelled. We have maintained an average of 24.8% SPD cases whereas there has been an increase in the number of single adult households nationally. In addition, external reviews reduce the number and percentage of SPDs.

### Analysis of Wokingham SPDs

Date	No of Chargeable Dwellings	No of SPD Discounts	Percentage	Comments
October 2007	61113	15415	25.2%	
October 2008	61516	15441	25.1%	Early 2008 internal signed declaration review commenced
October 2009	61794	15651	25.3%	
October 2010	62121	15552	25%	First external review commenced Aug 2010
October 2011	62523	15393	24.6%	Continuation of first external review
October 2012	62861	15600	24.8%	
October 2013	63359	15954	25.2%	Second external review commenced Nov 2013
October 2014	63818	15829	24.8%	Continuation of second external review
October 2015	64430	15886	24.7%	Review of new cases since commencement of second external review

We now have a lower percentage of SPDs than when we conducted our own signed declaration reviews. This shows that continual external reviews should maintain our SPDs around 24.8% against a peak of 25.3% when conducting our own signed declaration reviews.

### SPD in Student Households

We require a student certificate from the educational establishment with the start and end date of the course. In households where all the occupiers are students there is an exemption from council tax.

### Comparative Data

Comparative data from neighbouring authorities is shown below.

Authority	No of Props	No of SPDs	% of SPD	Review Cycle	Current Method
Bracknell	48,000	14,000	29%	Annual	External process using Datatank which data matches with credit records
Reading	68,876	21,344	31%	Annual/ every two years	Just commenced a review with Capita. Have not undertaken any review for a number of years. Just completing the Capita review.
RBWM	62,244	17,584	28%	Every two years	External process using Datatank with data matches with credit records
Slough	No data has been supplied				
West Berkshire	64,000	17,000	26%	Annual	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	External process using Northgate which data matches with credit records. Every other year NFI which data matches with electoral roll). For the rolling review we use Northgate to authenticate new SPDs set up during the year

## 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

Taking into account the cost of the exercise the overall net increase in income to the Council on the last external review was £407,253.48.

### List of Background Papers

None

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