

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1)	Meeting:	Deputy Leader
2)	Date:	8 October 2012
3)	Title:	Review of Council Tax Single Persons Discount – an update
4)	Directorate:	Resources

5. Summary

This report provides an update to the Deputy Leader on the Council Tax Single Person's Discount review that is being carried out in conjunction with Northgate (our Revenue's software supplier) and Experian.

6. Recommendation

Deputy Leader notes the content of the report

7. Background

The Council's Local Taxation Section is currently undertaking an intelligence based review of the Council Tax Single Person's Discount (SPD) awarded to residents in the borough, working with Northgate and Experian.

In June 2012 the Single Person Discount caseload was cross matched against Experian records. The cross match identified 5,613 discounts that required further follow up due to their classification by Experian as moderate to high risk . This risk rating is due to there being recorded financial activity at the property from more than one person within the last three months.

Canvass letters were issued to the identified cases on 29 June 2012 asking customers to declare their current household circumstances. Customers who failed to respond to this initial letter were sent a reminder letter 21 days later.

To date the results of the canvass are as follows:

- 2,979 discounts have been verified as being correctly claimed.
- 1,771 discounts have been cancelled. Of these, 1248 were cancelled as a result of the customer failing to respond to the initial canvass letter, a reminder letter and a further letter asking for contact before the discount was cancelled. The other 523 discounts have been cancelled following a declaration of a change in household circumstances by the customer.

The cancellations have resulted in an additional £635k Council Tax income being raised across the identified Council Tax accounts. Revised Council Tax bills have been issued requesting that relevant payments are made to bring their Account up to date. This figure is subject to change due to customers who have previously not made contact now making contact which may result in the SPD being reinstated.

Work to finalise the outcomes from the Review will continue over the next few months. A further concluding report will be brought to this meeting in due course.

8. Finance

Although the review is not yet complete, the cancellations so far have resulted in an additional £635k Council Tax income being raised in 2012/13 across the identified Council Tax accounts.

Reducing the number and value of SPD's has the effect of increasing the Council's Council Tax (CT) Base used in setting the Council Tax. The Council's CT Base is approved by Members as part of the Council's Annual Revenue Budget and Council Tax setting process in January each year.

9. Risks and Uncertainties

The Council Tax collection rate may initially be adversely affected due to the cancelling of SPD's which will require a higher level of income to be collected by the Council. This risk will be mitigated through prompt and robust recovery action to minimise any potential future bad debts arising.

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