

REPORT TO: POLICY & RESOURCES COMMITTEE - 27 JUNE 2011

REPORT ON: COUNCIL TAX SINGLE PERSON DISCOUNT REVIEWS

REPORT BY: DIRECTOR OF FINANCE

REPORT NO: 255-2011

1.0 PURPOSE OF REPORT

This report advises members of a proposed pilot to undertake the review of Single Person Discount awards using data matching, rather than the current method of a postal review. The actual review would be undertaken by a third party provider.

2.0 RECOMMENDATIONS

It is recommended that members approve this proposal.

3.0 FINANCIAL IMPLICATIONS

The cost of this proposal is at present unknown, as the third party provider undertakes the work on a risk and reward basis. A sum of £30,000 has been set aside in the Finance Department Revenues budget to meet this cost. Only after the review has been completed will the true cost be known. Should the cost exceed the £30,000 set aside, then the excess will be met from the Revenues' budget. Due to the way in which the review is to be undertaken, there will be a significant reduction in printing and postage costs.

4.0 MAIN TEXT

There are approximately 32,000 domestic properties in Dundee city which currently receive a Single Person Discount. The split between benefit and non-benefit households is approximately half and half.

In previous years, in order to ensure continuing correct entitlement to Single Person Discount, the Revenues Division issued a review form to said recipients requesting that they confirm that there are no changes in circumstances and that the discount is still applicable. Once the review is returned, if there is no change reported, Revenues will update their records and continue the discount. No further checks are undertaken by Revenues to validate the information. In circumstances where Revenues are notified of a change of circumstances, the records will be amended and the appropriate bills issued.

Not all review forms are returned and Revenues are required to issue Reminder letters to the customers. When the last review was carried out, over 2,900 Reminder letters were issued. If the review is still not returned, the Single Person Discount is cancelled and the customer re-billed and the numbers involved are still significant. This usually prompts customers to contact Revenues to ascertain why their discount has been cancelled, although some customers do not make contact until their account is subject to Summary Warrant action.

The above method relies entirely on the honesty of the Council Tax payer and their understanding of the rules regarding entitlement to the discount.

It should be noted that the reviews are issued to the non-benefit households only. Due to information received by Revenues in respect of benefit claims, officers believe that there is much less likelihood of a Single Person Discount being awarded erroneously in a benefit case than in a non-benefit case.

It should also be noted that the Council takes part in the National Fraud Initiative, which compares Council Tax records with the Electoral Roll.

Many local authorities are now outsourcing their Single Person Discount reviews to third party providers, who have access to much more data matching information.

Officers have been in discussion with several companies which provide such a service and following an evaluation in terms of cost and service, recommend that CAPITA should undertake this review on behalf of the Council.

The process involves a file being provided to CAPITA of all non-benefit cases that are in receipt of Single Person Discount. CAPITA will have this information run against different datasets, eg credit card records, phone records, mortgage records etc. The output will be presented on a risk basis and only those cases which suggest that there is a possibility that discount should not be awarded will be investigated further. The cases where no risk is identified will not receive any form of postal review and their discount will be continued automatically, thus reducing costs on printing, postage, staff time and customer contact.

In cases where a risk is identified, the Council Tax payer will be contacted by letter and advised that in order for the discount to continue, they will be required to undertake a telephone interview. The letters will be issued on Council headed notepaper asking the customer to call a local number to arrange for a telephone interview. CAPITA call centre staff will deal with the calls and make the appointments. Where it is not possible to contact the customer by phone, it will be dealt with by letter.

Where it can be confirmed that the Single Person Discount has been correctly awarded, Revenues records will be updated to reflect this and no change to the record made.

In circumstances where it is identified that the discount is not/no longer applicable, Revenues will be advised by CAPITA and the appropriate bill(s) issued.

If the Council Tax payer refuses to take part in the telephone interview, Revenues will cancel the Single Person Discount and issue the appropriate Council Tax bill. In order for the discount to be re-instated, the Council Tax payer will be advised that they need to undertake the telephone interview.

As stated previously, CAPITA are undertaking this exercise on a risk and reward basis. CAPITA will receive a fee for each discount that is cancelled but will only receive payment for a case that has had discount removed for a continuous period of three months. The financial gain to the Council for each discount cancelled, after taking into account the fee charged by CAPITA is significant.

CAPITA have undertaken this type of work for other local authorities and have achieved good success rates. Revenues officers will work closely with CAPITA to ensure the best service is provided.

As far as discount being cancelled and extra monies being raised, the grid below details the extra gross income that would be generated per case, per Band for the financial year. Officers are unable to estimate what the likely number of discount cancellations will be. At the end of the exercise, statistics will be provided which will give a breakdown of the discounts cancelled per Band and the extra revenue generated along with the cost of fees for this exercise.

A	B	C	D	E	F	G	H
£267.43	£312.00	£356.57	£401.14	£490.28	£354.43	£668.57	£802.28

5.0 Policy Implications

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no significant issues.

The Equality Impact Assessment which has been carried out will be made available on the Council's website <http://www.dundee.gov.uk/equanddiv/equipact/>

6.0 Consultation

The Chief Executive, Depute Chief Executive (Support Services) and the Assistant Chief Executive have been consulted in the preparation of this report.

MARJORY STEWART
DIRECTOR OF FINANCE

DATE _____

DUNDEE CITY COUNCIL

Equality and Diversity Rapid Impact Assessment Tool

Part 1

Date of assessment -	Title of document being assessed - Council Tax Single Person Discount Review Report
1) This is a new policy, procedure, strategy or practice being assessed (If yes please tick box) - Yes	This is an existing policy, procedure, strategy or practice being assessed? (If yes please tick box) No
2) Please give a brief description of the policy, procedure, strategy or practice being assessed.	This report advises members of a proposed pilot to undertake the review of Single Person Discount awards using data matching, rather than the current method of a postal review. The actual review would be undertaken by a third party provider.
3) What is the intended outcome of this policy, procedure, strategy or practice?	To ensure that the correct level of Single Person Discount is awarded.
4) Please list any existing documents which have been used to inform this Equality and Diversity Impact Assessment.	None.
5) Has any consultation, involvement or research with protected characteristic communities informed this assessment? If yes please give details.	No.
6) Please give details of council officer involvement in this assessment. (E.g. names of officers consulted, dates of meetings etc)	Ian Gillanders & Charmaine Wanless.
7) Is there a need to collect further evidence or to involve or consult protected characteristics communities on the impact of the proposed policy? (Example: if the impact on a community is not known what will you do to gather the information needed and when will you do this?)	No.

Part 2

Which protected characteristics communities will be positively or negatively affected by this policy, procedure or strategy?

NB Please place an X in the box which best describes the "overall" impact. It is possible for an assessment to identify that a positive policy can have some negative impacts and visa versa. When this is the case please identify both positive and negative impacts in Part 3 of this form.

If the impact on a protected characteristic communities are not known please state how you will gather evidence of any potential negative impacts in box Part 1 section 7 above.

	Positively	Negatively	No Impact	Not Known
Ethnic Minority Communities including Gypsies and Travellers				x
Gender				x
Gender Reassignment				x
Religion or Belief				x
People with a disability				x
Age				x
Lesbian, Gay and Bisexual				x
Socio-economic				x
Pregnancy & Maternity				x
Other (please state)				

Part 3

<p>1) Have any positive impacts been identified? (We must ensure at this stage that we are not achieving equality for one strand of equality at the expense of another)</p>	<p>If yes please give further details</p>
<p>2) Have any negative impacts been identified? (Based on direct knowledge, published research, community involvement, customer feedback etc. If unsure seek advice from your departmental Equality Champion.)</p>	<p>If yes please give further details</p>
<p>3) What action is proposed to overcome any negative impacts? E.g. involving community groups in the development or delivery of the policy or practice, providing information in community languages etc. see Good Practice on DCC equalities web page</p>	<p>Please give further details</p>
<p>4) Is there a justification for continuing with this policy even if it cannot be amended or changed to end or reduce inequality without compromising its intended outcome? (If the policy that shows actual or potential unlawful discrimination you must stop and seek legal advice)</p>	<p>If yes please give further details</p>
<p>5) Has a 'Full' Equality Impact Assessment been recommended? (If the policy is a major one or is likely to have a major impact on protected characteristics communities a Full Equality Impact Assessment may be required) Seek advice from your departmental Equality Champion.</p>	<p>If yes please give further details No</p>
<p>6) How will the policy be monitored? (How will you know it is doing what it is intended to do? e.g. data collection, customer survey etc.</p>	<p>Please give details - Regular updates from the third party provider. Also monitor feedback from customers.</p>

Part 4**Name of Department or Partnership: Finance Department****Type of Document**

Human Resource Policy	
General Policy	x
Strategy/Service	
Change Papers/Local Procedure	
Guidelines and Protocols	
Other	

Contact Information

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Signature of author of the policy:

Date

Signature of Director / Head of Service area:

Date

Name of Director / Head of Service:

Date of next policy review: