

# Business Case

## C/R.7.101 - Council Tax: Counter Fraud & Compliance

### Project Overview

Project Title	C/R.7.101 - Council Tax: Counter Fraud & Compliance		
Project Code	TR001404	Business Planning Reference	C/R.7.101
Business Planning Brief Description	A project delivered in collaboration with Cambridgeshire Billing Authorities to invest in counter fraud and compliance activity to increase Council tax income.		
Senior Responsible Officer	Chris Malyon		

### Project Approach

#### Background

##### Why do we need to undertake this project?

Council tax income is the most significant source of revenue funding for the Council comprising around 78% of the total net budget. Collection rates in Cambridgeshire are above the national average, averaging in excess of 98% across the County. However, we believe there is scope to improve collection rates further by investing in counter fraud and compliance activity. A modest improvement in collection rates would generate a significant level of additional income for Local Authorities in Cambridgeshire, helping to support frontline services.

##### What would happen if we did not complete this project?

Council tax collection rates would likely remain at current levels as Cambridgeshire Billing Authorities would not have the necessary resources to implement additional counter fraud and compliance measures.

#### Approach

##### Aims / Objectives

Aim: To further increase the Council tax collection rates achieved by Cambridgeshire Billing Authorities. The Council tax collected in Cambridgeshire is split approximately 80/20 between the County Council and District Councils respectively in its allocation.

##### Objectives:

- To ensure that fewer Cambridgeshire residents are paying less Council tax than they should be.
- To make it easier for people who genuinely cannot pay their Council tax to be able to do so.

##### Project Overview - What are we doing

- Working with Cambridgeshire Billing Authorities to develop a joint action plan to increase the Council tax collected in Cambridgeshire.
- Investing in more effective identification of fraudulent or incorrectly claimed Council tax discounts and in compliance activity to ensure residents are paying the correct levels of Council tax
- Establishing of a gain sharing mechanism to ensure that extra income generated as a result of the scheme is shared fairly between Billing Authorities and the County Council

##### What assumptions have you made?

We have assumed that there is potential for further activity to effectively identify, contact and seek funding from residents who may not be paying the correct amount of Council Tax.

We assume that we will be able to find a delivery mechanism for this work in collaboration with Billing Authorities.

##### What constraints does the project face?

## Delivery Options

### Has an options and feasibility study been undertaken?

We are engaging with Billing Authorities to assess the suitability of a range of potential approaches taking into account the resource requirements and probability of success based on local circumstances in each District. The Council intends to establish a joint investment and gain sharing agreement based on a model which has been successfully implemented by Local Authorities in Essex.

Potential areas for investment are expected to include:

- Implementation of a software solution to enable cross-county data sharing and matching to identify potential cases of fraudulently or incorrectly claimed Council tax discounts and exemptions
- Providing additional resources for compliance activity undertaken by Billing Authorities
- Introduce a publicity campaign to remind people to report changes in circumstances and emphasise the Council's zero tolerance approach to Council tax fraud
- Establishment of a gain sharing mechanism whereby Billing Authorities receive an additional share of the extra income generated as a result of the project to support continued investment in collection activity as well as supporting front line service delivery

## Scope / Interdependencies

### Scope

#### What is within scope?

Residents either not paying their Council Tax or not paying the correct levels of tax e.g. claiming discounts to which they are not entitled.

#### What is outside of scope?

Residents already paying their Council Tax at the correct rate.

## Project Dependencies

### Title

Reliance on the availability and accessibility of information to enable Billing Authorities to identify residents who may not be paying the correct amounts of Council tax

Reliance on co-investment in additional resources to enable Billing Authorities to increase Council tax collection rates

## Cost and Savings

See accompanying financial information in Table 3

## Non Financial Benefits

### Non Financial Benefits Summary

Residents will be less likely to claim discounts fraudulently or otherwise avoid paying Council tax  
Increased partnership working between Local Authorities across Cambridgeshire

### Title

Increase in Council tax yield

## Risks

<b>Title</b>
Counter fraud and compliance activity is less effective than anticipated
Project does not become self-funding due to underachievement of income targets
Limited data available for analysis due to data protection restrictions

<b>Project Impact</b>
<b>Equality Impact Assessment</b>
<b>Who will be affected by this proposal?</b>
Cambridgeshire residents who do not pay the correct amount of Council Tax.
<b>What positive impacts are anticipated from this proposal?</b>
<p>Cambridgeshire Local Authorities will receive additional Council tax contributions as a result of reducing the number of fraudulently or incorrectly claimed Council tax discounts, providing additional funding for local services.</p> <p>The proposal will have no adverse impact on residents who are not paying their Council tax contributions due to issues of debt or poverty and will reduce the likelihood of residents claiming discounts fraudulently through more effective detection and enforcement activity.</p>
<b>What negative impacts are anticipated from this proposal?</b>
Residents who are either intentionally or unintentionally paying the wrong levels of Council Tax will have their bills adjusted so that they pay the correct amount of Council tax based on their circumstances.
<b>Are there other impacts which are more neutral?</b>
The impact to residents who are paying the correct amount of Council Tax is neutral

<b>Disproportionate impacts on specific groups with protected characteristics</b>
<b>Details of Disproportionate Impacts on protected characteristics and how these will be addressed</b>
The impacts of the proposal on groups of people with protected characteristics have been considered and no foreseeable risks of negative impacts have been identified.

