

St Albans City & District Council

Identifies and recovers £218,000 of incorrect or fraudulent Council Tax discounts by undertaking a Single Person Review with Capacitygrid

Overview

St Albans, the major urban area in the City and District of St Albans, lies about 20 miles (32 km) north-north-west of central London. It is a relatively small and affluent district serving a population of some 150,000 across an area of just 62 square miles.

Before the 20th century St Albans was a rural market town; a Christian pilgrimage site and the first coaching stop of the route to and from London on the Roman Road, Watling Street. In the 1950s, St Albans became a centre for the electronics industry and expanded rapidly as part of the post-War redistribution of population out of Greater London. It is now a popular tourist destination with a thriving cultural life, with regular concerts and theatre productions held at venues including the Trestle Arts Barn, St Albans Abbey, Maltings Arts Theatre and the Abbey Theatre.



The Challenge

Councils could be losing an estimated £90M of Council Tax annually due to incorrect or fraudulent Single Person Discount (SPD) claims. People that live alone are eligible for SPD reduction. Many councils find that claimants often forget to inform the Council Tax Team when their situation changes and they become no longer eligible for the discount. This leads, to significant levels of SPD that should not be granted and subsequently reduced Council Tax revenue.

Councils need to ensure that their records are as accurate as possible and should not wait for a claimant to inform them that their eligibility for the discount has ceased due to a change in their circumstances. Therefore, to maximise revenue collection and minimise inaccurate / fraudulent claims, councils should proactively and formally review all SPD claimants on an annual or biennial basis.

The Solution

St Albans City & District Council decided to partner with Capacitygrid to undertake a SPD Review in 2020 with a fully managed service that offered a simple, innovative and effective way of reviewing and updating the SPD caseload. As incorrect SPD claims have been found to occur across all Council Tax property bands and at all levels of social deprivation or entitlement, "high risk" cases needed to be identified and investigated initially.

In 2020, St Albans City and District Council had an SPD caseload of 17,588, of which 1,558 (9%) were identified as being at "high risk" - 86% responded to the initial approach and all correspondence was captured via Capacitygrid's dedicated customer support line; SPD Mailbox or online web form. The SPD review by Capacitygrid is provided on a "risk and reward" basis (so the Council is only charged for successful removals from the SPD caseload) and the service can now be procured simply and effectively, via the Government's G Cloud 12 Framework.

The Benefits

The service not only identifies and addresses ineligible and fraudulent claims but will also improve the accuracy of Council Tax records and maximise Council Tax income.

The St Albans City & District Council SPD caseload has been reduced by 430 cases which has resulted in the generation of £217,719 of additional Council Tax revenue annually.

£111,014 of incorrect discount has been recovered from properties in Council Tax Bands C & D.

Full reports are provided to enable Council staff to fully analyse the results after the review.

'The service from Capacitygrid was easy to manage and has helped the Council identify and remove a significant percentage of single person discounts and it has been interesting to see that the results have been delivered from across all Council Tax bands. We will certainly look to run another SPD review with Capacitygrid within two years.'

Richard Skilbeck, St Albans Council

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