

Case study: Lancaster City Council

Maximising council tax revenue at
Lancaster City Council



Client

In common with all local authorities, the requirement to canvas council tax single person discount (SPD) claimants presents Lancaster City Council with an onerous and costly task each year. In the past, this has involved sending over 20,000 letters to households receiving the discount, incurring significant costs in officer time and postage. Furthermore, it doesn't always highlight fraudulent claims.

In 2006 Lancaster City Council worked in partnership with three other Councils – Preston, Chorley and South Ribble – to explore ways of reducing this burden, in order to make savings which could help keep council tax down in the future. This exercise was supported and partially funded by Lancashire County Council.

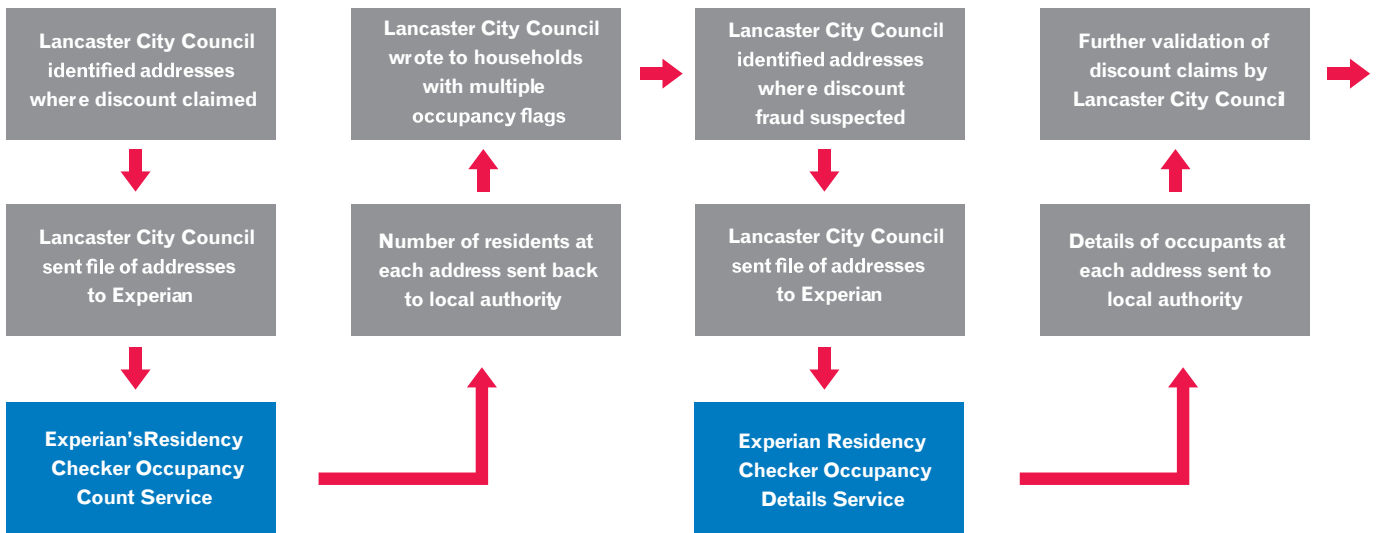


Challenge

Lancaster City Council sought to reaffirm genuine council tax SPD claimants as efficiently and effectively as possible, with minimum impact on both the claimant and the Council. In addition, they wanted to highlight any potentially fraudulent claims, to enable them to remove the discount and increase the amount of council tax collected.

Solution

Experian's Residency Checker solution was used by Lancaster City Council to fulfil these requirements in the following way:



Prior to implementation of the solution, the Council undertook a PR campaign to notify householders of their plans to verify the entitlement for existing claimants. The objective of this was to explain the rationale behind the exercise, outline the benefits to the community and to provide any non-legitimate claimants with the opportunity to withdraw their claim without financial penalty.

Phase 1 – the Occupancy Count Service

Lancaster City Council then sent a file to Experian containing the addresses of their SPD claimants. This file was processed via Residency Checker's Occupancy Count Service in order to create a picture of the residency make-up at each address. This was achieved by processing the addresses against Experian's comprehensive databases to analyse the activity for each household.

Experian returned the file to Lancaster City Council indicating the number of residents found at each address. Where the Occupancy Count Service provided confirmation of a single occupant at the address, the Council was not required to make further contact as the SPD had been reaffirmed.

Where the process identified two or more residents at the address, the Council sent letters to the occupants to seek confirmation of their circumstances.

Phase 2 – the Occupancy Details Service

The second phase of the process allowed Lancaster City Council to request further information from Experian under statutory provisions and powers. This process helped to establish whether those households with multiple occupants were indeed eligible for a discount, or whether a fraudulent claim had been made.

“By any measure, this exercise has been a great success for Lancaster City Council. Being able to reduce the number of letters down from 20,000 to 5,000 has removed a huge administrative burden from the authority, in addition to making significant cost savings. We are delighted that so many invalid claims have been removed as this will substantially increase the amount of council tax collected. This money will be ploughed back into public services to the benefit of the community as a whole and will help to keep council tax down for future years.”

Richard Mason
Head of Revenue Services at
Lancaster City Council

A further file of addresses was sent to Experian to be processed against the Occupancy Details Service. This process uses the same data sources as the Occupancy Count Service, however this time, the actual names of those believed to be resident were returned. In addition, a Residency Checker score was provided, to indicate the strength and recency of the supporting residency source data. This helped the Council prioritise resource by focussing efforts on those with the highest likelihood of being fraudulent.

Results

Lancaster City Council has been able to efficiently and effectively reaffirm over 75 percent of SPD claims without the need for further contact. To date, almost 4 percent of households have either withdrawn their SPD or had it cancelled, equating to an additional £238,000 in council tax falling due as a result of the exercise. This figure is expected to rise.

For further information please contact us:

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