

SUBJECT:	PERFORMANCE UPDATE
DIRECTORATE:	CHIEF EXECUTIVE AND TOWN CLERK
REPORT AUTHOR:	MARTIN WALMSLEY, HEAD OF SHARED REVENUES AND BENEFITS

1. Purpose of Report

- 1.1 To provide Members with an update on performance in the Revenues and Benefits shared service.

2. Executive Summary

- 2.1 This report provides an update on Revenues and Benefits performance information – for Quarter 2 2018/19, and up to the end of October 2018.
- 2.2 The Revenues and Benefits Shared Service has now been in operation since 1st June 2011, and performance has been maintained and improved whilst continuing to provide value for money. Continual improvement and success is being achieved in terms of both statistical and financial performance, as well as positive outcomes for customers of the partner local authorities.

3. Background

- 3.1 At the 17th September meeting of this committee, a report was presented detailing Revenues and Benefits performance for Quarter 2 2018/19.
- 3.2 Performance is reported to this committee on a quarterly basis.

4. Revenues Performance

4.1 Council Tax

- 4.2 Comparing Council Tax in-year collection for Quarter 2 2018/19 to Quarter 2 2017/18, City of Lincoln and North Kesteven are lower by the same percentage – 0.37%.
- 4.3 When considering the current collection levels, it should be noted that the collectable debit for both City of Lincoln and North Kesteven has increased from 2017/18 by £2.5m and £3.8m respectively.
- 4.4 In terms of the position as at end October 2018 compared to the position at the end of October 2017, City of Lincoln is 0.32% lower and North Kesteven 0.22% lower.

A Single Person Discount review has been undertaken for both City of Lincoln and North Kesteven as part of a Countywide process. As a result of this, Single Person Discounts have been removed for 722 Lincoln accounts and 484 North Kesteven

accounts. This has raised the amount of revenue to be collected by £218,724 for Lincoln and £153,176 for North Kesteven. This will have an impact on collection until this additional Revenue is collected.

4.5 Business Rates

4.6 Comparing Quarter 2 2018/19 to 2017/18, City of Lincoln is down by 0.56%, North Kesteven up by 3.56% and West Lindsey up by 0.11%.

4.7 In terms of the position as at end October 2018 compared to the position at the end of October 2017, City of Lincoln is 0.93% lower, North Kesteven 0.27% higher and West Lindsey 0.01% higher.

4.8 There are a number of factors affecting Lincoln's Business Rates at this point in time (not only relating to collection, but liability in general) – with an increase in empty/exempt properties, as well as large increase in net collectable debit.

4.9 Officers would like the committee to note that North Kesteven's collection for September 2018 is inaccurate due to a duplication of payment receipt. This was rectified in October, and as a result, October's collection rate is accurate at 70.29% which is 0.27% above 2017/18.

When considering the current collection levels it should be noted that the total net receipt has also increased from 2017/18 by £955k for City of Lincoln, £1.1m for North Kesteven and £790k for West Lindsey.

The tables below in paragraph 4.10 show how 'Net collectable debit' and 'Total net receipt' compared for each local authority, between 2018/19 and 2017/18.

4.10 City of Lincoln:

	Total net receipt (£)	Net collectable debit (£)
2018/19	27,286,212	45,045,723
2017/18	26,953,489	44,089,862
Difference	+332,723	+955,861

North Kesteven:

	Total net receipt (£)	Net collectable debit (£)
2018/19	18,181,573	27,470,246
2017/18	16,523,643	26,381,084
Difference	+1,657,930	+1,089,162

West Lindsey:

	Total net receipt (£)	Net collectable debit (£)
2018/19	10,288,989	17,621,856
2017/18	9,812,954	16,831,979
Difference	+476,035	+789,877

4.11 Business Improvement District (BID) Levy Collection

- 4.12 Members will be aware that the Authority is responsible for the administration and collection of the BID levy.

The BID financial year runs from 1st July to 30th June and the figures given below represent collection up to the end of Quarter 2 2018.

A comparison of in-year collection rates between BID financial years ending 30th September 2017 and 30 September 2018 shows a decrease in collection and is shown in the table below. However, officers do not feel this is of major concern at this stage, however will continue to manage and monitor this closely.

Quarter 2 2017	90.45%	Increase/ (Decrease) (1.27%)
Quarter 2 2018	89.18%	

4.13 Outstanding Revenues Customers

- 4.14 The number of outstanding Revenues Customers as the end of Quarter 2 2018/19 shows an increase since 31st March 2018. This is due to the reduced numbers of staffing (unforeseen circumstances) within the team during the first quarter of 2018/19.

The position has been maintained during Quarter 2, despite a considerable amount of additional work being undertaken on student reviews and Single Person Discount enquiries. The Council Tax Administration Team has reviewed and updated over 1,500 City of Lincoln student accounts. Whilst this is an annual piece of work, this is not usually completed until January each year. However, due to the electronic forms which have been developed this has resulted in the processes becoming much more efficient, and as a result, almost all student properties have been reviewed 3 months earlier than usual.

The Single Person Discount review process has also resulted in the Council Tax Administration Team dealing with over 300 such discount enquiries for both City of Lincoln and North Kesteven, and reviewing discount cases. This work is currently undertaken every 2 years and as a result is additional work for 2018/19.

There is likely to be a temporary reduction in the Council Tax staffing numbers in Quarter 3, which may have an impact on the work outstanding until each position is filled.

The Council Tax Administration Team is continuing to work with City of Lincoln's Business Development Team to continue to implement and improve processes to 'channel shift' customer contact, internal contact and adopt 'lean' principles. So far these have included online e-forms for 'reporting a move' and reporting changes for student accommodation. The e-forms are populated by the customer with their information, and this is integrated into the back-office system. This removed the re-keying of information by the officer – it is simply reviewed, and the change in occupier / account / property information is processed and an updated bill is generated.

	Q2 2018	2018	2017	2016	2015	2014	2013	2012
City of Lincoln	749	121	296	448	1,025	683	939	1,713
North Kesteven	389	95	223	266	356	545	465	577

4.15 As at the end of October 2018, there are 768 outstanding Revenues customers for City of Lincoln and 321 for North Kesteven. Whilst this has increased since the end of Quarter 2, for City of Lincoln, the rate of increase is not as high, as in previous months and can be attributed to the additional work undertaken, particularly around student accounts.

4.16 Housing Benefit Overpayments

4.17 The table below shows in-period collection rates as a percentage of the debt raised over the last six financial years (2011/12 is not shown, due to the changeover to the Northgate ICT system for Lincoln during that financial year and a number of conversion exercises that had to be undertaken relating to Housing Benefit Overpayments).

Financial Year	Q2 2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
City of Lincoln	106.75%	81.81%	76.38%	75.22%	68.60%	72.98%	89.14%
North Kesteven	116.43%	88.31%	70.16%	77.76%	64.61%	85.40%	92.85%

4.18 The above figures to the end of Quarter 2 mean that more monies had been recovered than raised). This is as a result of the work being undertaken by the Housing Benefit Overpayment Recovery Team (HBOP). This is covered in a separate report is included within this report pack.

- 4.19 As well as the in-period Housing Benefit Overpayments collection figures remaining positive as demonstrated above, the level of outstanding overpayments is starting to reduce, as a result of the work undertaken by the Housing Benefits Overpayments Team during this first quarter. The table below shows how this position has developed over the last five financial years, and how outstanding overpayments are now starting to reduce for both local authorities.

	Q2 2018/19	2018	2017	2016	2015	2014
City of Lincoln	£4,040,188	£4,219,349	£4,081,552	£3,510,798	£3,186,971	£2,633,438
North Kesteven	£1,697,338	£1,824,908	£1,793,997	£1,482,271	£1,324,672	£1,011,484

- 4.20 A separate, more detailed report – ‘Housing Benefit Overpayments Update’ – is included elsewhere on this committee’s agenda, which includes details of the action plan for 2018/19. The plan includes actions identified from a positive two-day exercise involving officers from the Department for Work and Pensions, which took place at the end of April 2018, as well as figures showing the changes in outstanding overpayments since 1 April 2018 to 30 September 2018.

5. Benefits Performance

- 5.1 The table below shows the number of outstanding Benefits customers awaiting assessment, at the end of each financial year since the formation of the shared service:

	Q2 2018/19	2018	2017	2016	2015	2014	2013	2012
City of Lincoln	1,520	696	555	1,064	1,267	2,396	2,004	2,401
North Kesteven	471	511	500	714	1,036	978	1,206	2,648

It is important to note for City of Lincoln, that although the customers awaiting assessment level is relatively high, this is due to the larger Housing Benefit caseload in comparison to North Kesteven. City of Lincoln live caseload is 6,887 with North Kesteven being 4,283. As a result of this, City of Lincoln receive a higher volume of documents.

The rollout of Universal Credit Full Service has had a significant impact on processing performance, with the Benefits Team receiving 12,457 Universal Credit documents since 1 April 2018. Each of these documents require assessment – with Benefits Officers having to review the document and make a decision as to the assessment required. As a result, City of Lincoln have seen a significant increase in their documents, which has resulted from the outstanding almost doubling within a number of weeks. Officers are currently working on the automation of a number of UC documents, which should improve efficiencies within the teams.

- 5.2 As at the end of October 2018, Benefits customers outstanding figures – split by those who are already in progress (i.e. where the customer has been contacted and further information is required) against those which have not yet started to be processed.

	Benefits customers awaiting assessment (as at 31st October 2018)			
	Customer has been contacted	Customer not yet contacted	Total	Oldest Date
City of Lincoln	673	446	1,119	10 th October 2018
North Kesteven	346	59	405	4 th October 2018

- 5.3 It is pleasing to see that the number of customers awaiting assessment for City of Lincoln has reduced in month by 401. This is a direct result of the overtime and review of processes which have taken place.

It still continues to be a real day-to-day challenge, with decreasing grants from central government also having an impact, to maintain the position of assessing Housing Benefit and Council Tax Support claims in a timely and accurate manner, but whilst also providing vital support to Universal Credit customers – which is being carried out by some of our Benefits Officers from March 2018, when Universal Credit Full Service (UCFS) launched in Lincoln Jobcentre. This ‘challenge’ of allocation of resources to a variety of demands will very much be at the forefront of officers’ minds moving forward, particularly with Sleaford Jobcentre moving to UCFS in November 2018. The Benefits Team also undertakes a variety of other tasks, such as; Discretionary Housing Benefits, Revisions and Appeals, Overpayments collection (not debtor stage), Subsidy and Quality Control, and various initiatives relating to reducing fraud and error in the system. The team has also starting work on the Housing Benefit Overpayment recovery project and have successfully recruited into a vacant Appeals Officer post from within the existing team, resulting in 2 Full Time Equivalent officers being removed from the day-to-day processing.

- 5.4 In terms of Housing Benefit average processing times, the table below shows the figures for New Claims and Changes of Circumstance for the last five financial years:

Financial Year		Q2 2018/19 Average no. days	2017/18 Average no. days	2016/17 Average no. days	2015/16 Average no. days	2014/15 Average no. days	2013/14 Average no. days
New Claims	Lincoln	28.16	24.29	29.44	25.45	26.14	28.33
	North Kesteven	23.52	18.81	15.98	12.76	12.05	12.66
Changes of Circumstance	Lincoln	8.09	4.00	4.49	5.40	5.07	6.97
	North Kesteven	4.66	2.82	3.06	2.84	2.91	2.92

Changes in circumstances processing times have increased for both City of Lincoln and North Kesteven, however this is as a direct result of the clearance of outstanding work and bringing the work more up to date.

New claims performance levels have improved when compared to quarter 1 in 2018/19 – City of Lincoln by 1.97 days and North Kesteven by 1.05 days.

Universal Credit changes are much more complex, and require more time to be taken to ensure accurate processing. The Universal Credit changes are also time limited, whereby a two week grace period on any overpayment has been given, therefore, priority is being given to this piece of work. In addition, whilst the number of new claims is reducing, those claims that are being received are for the Universal Credit customers where Housing Benefit is still to be claimed (exempt categories). As a result, Local Authorities are having to wait for the Universal Credit decision to be made, which is taking around 6 weeks, before an assessment decision can be taken on the Housing Benefit entitlement. This delay by Department for Work and Pensions has contributed to the increase as shown in the above table. As a result, overtime was offered to staff from September 2018 to improve the processing position. This has resulted in significant improvements, as can be seen above.

North Kesteven new claims processing days are increasing due to the change in processes. Since the introduction of Citizens Access Benefits, customers are encouraged to make new claims online. As a result of this, the customers may not always provide all evidence with their application form, which results in delays in processing. The number of Benefits Officers within the North Kesteven Benefits Team has also reduced, with 2.6 Full Time Equivalent staff being removed from day-to-day processing to undertake other workloads such as Discretionary Housing Payment assessments, Verification of Earnings and Universal Support.

- 5.5 Prompt processing of claims remains vital, but of equal importance is accuracy of processing and 'getting it right, first time'. The table below the outcomes of claims checked under our quality checking regime, since the formation of the shared service:

Financial Year	Q2 2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
City of Lincoln	84.00%	92%	91%	83%	79%	77%	72%	65%
North Kesteven	96.10%	95%	95%	97%	98%	98%	100%	99%

During quarter 2, a total of 71 claims were checked for City of Lincoln and 95 for North Kesteven. Whilst the percentage accuracy has reduced for both, the number of claims being checked is increasing as part of the Quality Checking action plan. Those claims where errors were found, are predominantly Universal Credit claims, which are often more complex. Staff are advised of the errors and additional training and support is given where needed. In October, a total of 50 claims were checked for City of Lincoln, with 42 of these being correct. A total of 35 claims were checked for North Kesteven, with 34 of these being correct.

6. Strategic Priorities

6.1 Both City of Lincoln and North Kesteven have a number of strategic priorities. Two that have an impact on the Revenues and Benefits Service are:-

- Lincoln: "Let's Reduce Inequality".
- North Kesteven: "Our Community Our Economy".

6.2 The Benefits Service plays a key role in reducing inequality by ensuring residents receive the benefits they are entitled to and providing money / debt advice. The Revenues Section is also mindful of the strategic priorities when engaging with business ratepayers as they recover business rates – and also promoting and encouraging growth in the districts. Digital Inclusion, Channel Shift / Customer Experience, Financial Inclusion and Partnership Working are all key priorities for the shared service.

7. Organisational Impacts

7.1 Finance: There are no direct financial implications arising from this report.

7.2 Legal Implications including Procurement Rules: There are no direct Legal or Procurement implications arising from this report.

7.3 Equality, Diversity & Human Rights: There are no direct implications arising from this report.

8. Risk Implications

8.1 A Risk Register is in place for the Revenues and Benefits shared service.

9. Recommendations

9.1 Note the performance information as set out in this report.

9.2 Note that a performance update will be presented at the next meeting of this committee, on 19th February 2019.

Is this a key decision? Yes/No

Do the exempt information categories apply? Yes/No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? Yes/No

How many appendices does the report contain? Appendix 1: Performance Data – Quarter 2 2018/19, and October 2018

List of Background Papers: None

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