

<b>SUBJECT:</b>	<b>PERFORMANCE UPDATE</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE</b>
<b>REPORT AUTHOR:</b>	<b>MARTIN WALMSLEY, HEAD OF SHARED REVENUES AND BENEFITS</b>

## **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 up to the end of July 2016.

## **3. Background**

- 3.1 At the 24<sup>th</sup> May meeting of this committee, a report was presented detailing Revenues and Benefits performance up to the end of April 2016.
- 3.2 Performance is reported to this committee on a quarterly basis.

## **4. Revenues Performance**

### **4.1 Council Tax**

- 4.2 As at the end of July 2016, in-year collections compared to the same point in 2015/16 are slightly down – by 0.35% (Lincoln) and 0.08% (North Kesteven). Although not the desired position, it is still relatively early in the financial year. All processes and recovery actions are in place, and there is no reason at this stage to flag that there is an issue with in-year collection.

### **4.3 Business Rates**

- 4.4 Compared to the same point in 2015/16, as at the end July 2016 in-year Business Rates collection performance is as follows:
- City of Lincoln 0.45% down;
  - North Kesteven 0.55% down;
  - West Lindsey 3.84% down.

- 4.5 Although there are no specific concerns regarding Lincoln and North Kesteven's in-year collection at this relatively early stage in the financial year, work is being undertaken to ascertain why the West Lindsey collection is lower than would be expected.

#### 4.6 Outstanding Revenues Customers

4.7 It is pleasing to report that this figure of 245 at the end of July 2016 is significantly lower than that at the end of July 2015 (960). In addition to this, the outstanding e-mails position as previously notified to this committee has reduced considerably. As at the time of writing this report (25<sup>th</sup> August) 51 e-mails are awaiting to be dealt with (the oldest being received 23<sup>rd</sup> August) – compared to 509 e-mails outstanding on 13<sup>th</sup> May (as reported to this committee on 24<sup>th</sup> May).

4.8 The much improved position is as a direct result of changes in processes with the introduction of new electronic/self-serve forms, as well as some temporary additional agency resources on the team. The challenge now is to further improve processes and maintain the work position with the resources available on the team.

#### 4.9 Prior Year Arrears for Council Tax and Business Rates

4.10 It is pleasing to report that prior year arrears for Council Tax and Business Rates have reduced month-on-month, with focus being on recovering these monies as well as in-year collection.

#### 4.11 Housing Benefit Overpayments

4.12 As at the end of July, in-period collection stands at 68.54% for City of Lincoln and 65.19% for North Kesteven – which is a reduction in performance for both authorities. Effective collection and recovery arrangements are in place with a wide range of techniques being utilised, however officers have identified there has been a significant increase in the amount of overpayments being raised – as highlighted in the table below.

	<b>£ raised 1.4.16- 31.7.16</b>	<b>£ raised 1.4.15- 31.7.15</b>	<b>Increase in £ raised (and % increase)</b>
<b>City of Lincoln</b>	£573,589	£497,983	£75,606 (13.2%)
<b>North Kesteven</b>	£375,440	£246,803	£128,637 (34.3%)

There are various reasons for the increases in the amount of overpayments being raised, such as:

- 'FERIS' (Fraud and Error Reduction Incentive Scheme) work being carried out – reviewing cases proactively to identify changes in customers' circumstances);
- Increase in cases from the Single Fraud Investigations Service;
- RTI (Real Time Information) scan data identifying changes in circumstances often going back several months/years.

4.13 As an ongoing consequence of more overpayments being raised in period than the amount it is realistically possible to collect in-period, outstanding debt continues to

rise – as at the end of July 2016 £3,675,012 and £1,612,198 is outstanding for City of Lincoln and North Kesteven respectively, - increases of £164,214 and £129,927 since 31<sup>st</sup> March 2016.

- 4.14 Members will recall a detailed report on Housing Benefit overpayments was submitted to this committee in February this year, identifying the key reason for debts being raised being due to late notification from customers regarding changes of circumstance affecting the level of Housing Benefit entitlement. Officers will continue to proactively communicate the need for changes to be reported promptly, as well as managing performance in this very challenging area of debt recovery.

## **5. Benefits Performance**

- 5.1 Generally North Kesteven Benefits work continues to perform well in terms of outstanding work and average processing times. However, City of Lincoln Benefits performance has generally deteriorated over the last quarter – in particular in respect of new claims.
- 5.2 Allocation of resources between Lincoln and North Kesteven Benefits work is continuously under review, to ensure the balance is equitable. However, there have been some particular issues with the Lincoln part of the Benefits Service in relation to staff sickness, work demands and Discretionary Housing Payments (DHP). An action plan has been developed to tackle these issues and is in operation. DHP applications have now been cleared meaning resources have been re-diverted back to 'core assessment work'. Also, some changes to processes have been implemented. It is pleasing to report that as at the time of writing this report (25<sup>th</sup> August) outstanding work for Lincoln has reduced to 1,063 (compared to 1,169 at the end of July) – which taking into account higher than average levels of officer annual leave in August, is a positive step in the right direction. The oldest item of Lincoln Benefits work is dated 18<sup>th</sup> July (compared to 1<sup>st</sup> August, when the oldest item outstanding was dated 7<sup>th</sup> June). This does not mean that no Benefits claim since 18<sup>th</sup> July has been processed – as where a customer accesses the service and provides all information at the first point of contact these may be processed much sooner.
- 5.3 It should be noted that it is not anticipated that the average processing time for Lincoln New Claims will improve quickly, in fact the processing of older work that has been taking place may have an initial detrimental effect – but longer-term as 2016/17 progresses it is expected this will improve. A verbal update on progress will be provided on 6<sup>th</sup> September.

## **6. Strategic Priorities**

- 6.1 Growing the local economy: Granting of Business Rates reliefs as appropriate can assist businesses to succeed and grow.
- 6.2 Protecting the poorest people in Lincoln and North Kesteven: The Benefits Service has a key role in reducing poverty and disadvantage; by ensuring residents receive the benefits they are entitled to and providing money/debt advice.

## **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 22<sup>nd</sup> November 2016.

**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 to end July 2016

**List of Background Papers:** None

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