

SUBJECT: PERFORMANCE UPDATE

DIRECTORATE: CHIEF EXECUTIVE

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 1 2018/19, and up to the end of July 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 12th June meeting of this committee, a report was presented detailing Revenues and Benefits performance outturn for 2017/18.
- 3.2 Performance is reported to this committee on a quarterly basis.

4. Revenues Performance

4.1 Council Tax

- 4.2 Positive Council Tax in-year collection has been achieved for 2017/18, the table below showing how performance has progressed since the shared service formed in June 2011.

Financial Year	Q1 2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
City of Lincoln	27.09%	97.17%	97.09%	97.12%	96.93%	96.56%	96.32%	96.80%
North Kesteven	30.00%	99.20%	99.14%	99.16%	99.25%	99.16%	99.13%	99.40%

- 4.3 Officers consider this to be extremely positive given the ongoing welfare reforms, the general economic climate and taking into account Universal Credit Full Service went live on 7th March 2018.

When comparing collection rates nationally, North Kesteven's collection rate is ranked 7th out of 326 billing authorities.

Officers have also undertaken comparisons of collection rate to deprivation statistics and rankings. There is a strong correlation between the two sets of figures and it is possible to set a line of best fit using an exponential function. This suggests that City of Lincoln are collecting 1.6% more Council Tax in per year than could reasonably be expected and gives a ranking outcome of 20th.

Comparing Quarter 1 2018/19 to 2017/18, City of Lincoln is above by 0.09% and North Kesteven below by 0.07%.

- 4.4 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 £2.3m and £3.6m respectively.
- 4.5 In terms of the position as at end July 2018, City of Lincoln is 0.01% below 2017/18 at 35.63%, and North Kesteven is the same as 17/18 at 39.34%.

4.6 Business Rates

- 4.7 As with Council Tax, positive Business Rates in-year collection has been achieved for 2017/18, the table below showing how performance has progressed since the shared service formed in June 2011.

Financial Year	Q1 2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
City of Lincoln	35.86%	98.87% (Target 99.10%)	99.43%	99.78%	99.46%	99.31%	99.08%	99.20%
North Kesteven	45.03%	99.89% (target 99.09%)	99.09%	99.46%	99.78%	99.53%	99.93%	99.70%
West Lindsey	33.65%	98.53% (Target 98.44%)	97.34%	99.44%	99.17%	99.12%	99.13%	98.90%

- 4.8 Comparing Quarter 1 2018/19 to 2017/18, City of Lincoln is up by 0.03%, North Kesteven up by 3.61% and West Lindsey down by 0.54%.

When comparing collection rates nationally, North Kesteven's collection rate is ranked 3rd out of 326 billing authorities.

Whilst collection for West Lindsey is below as at Quarter 1, there have been significant improvements during the first quarter of 2018/19. Collection was 2.44% down at 30th April 2018 (compared to the same point in 2017/18)

With an increased collection rate of 35.86% for Lincoln and 45.03% for North Kesteven, it should be noted that the total net receipt has also increased from 2017/18 by £1.5m, and £1.2m respectively.

The tables below in paragraph 4.9 show how 'Net collectable debit' and 'Total net receipt' compared for each local authority, between 2018/19 and 2017/18.

4.9 **City of Lincoln:**

	Total net receipt (£)	Net collectable debit (£)
2018/19	16,374,644	45,657,415
2017/18	15,796,661	44,084,752
Difference	+577,983	+1,572,663

North Kesteven:

	Total net receipt (£)	Net collectable debit (£)
2018/19	12,404,586	27,548,160
2017/18	10,918,749	26,364,099
Difference	+1,485,837	+1,184,061

West Lindsey:

	Total net receipt (£)	Net collectable debit (£)
2018/19	6,003,153	17,840,159
2017/18	5,774,453	16,891,924
Difference	+228,700	+948,235

- 4.10 In terms of the new financial year, 2018/19, as the end of July 2018 Business Rates in-year collection compares to July 2018, as below:

- City of Lincoln: 44.51% - this is 0.18% below
- North Kesteven: 51.39% - this is 2.99% above
- West Lindsey: 42.25% - this is 0.45% below

4.11 Business Improvement District (BID) Levy Collection 2017/18

- 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 July to June and the figures given below represent collection up to the end of June 2018.

The 2017/18 net collectable debit raised in respect of the Levy was £391,728.

A comparison of in-year collection rates between BID financial years ending 30th June 2017 and 30 June 2018 shows a significant increase in collection and is shown in the table below:

Year ending 30 th June 2017	99.33%	Increase/ (Decrease) 0.63%
Year ending 30 th June 2018	99.96%	

4.13 Outstanding Revenues Customers

- 4.14 The number of outstanding Revenues Customers as the end of quarter 1 2018/19 shows an increase since 31 March 2018. This is due to the reduced numbers of staffing (unforeseen circumstances) within the team during this quarter. The position will be improved in-year due to the resolution of the staffing issues and the continued implementation of changes to current processes through the introduction of new electronic / self-serve forms. The Council Tax Administration team are currently working with City of Lincoln Business Development Team to continue to implement and improve processes to channel shift customer contact, internal contact and adopt 'lean' principles. 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.

However, figures are similar to quarter 1 in 2017/18.

31 st March	Q1 2018	2018	2017	2016	2015	2014	2013	2012
City of Lincoln	659	121	296	448	1,025	683	939	1,713
North Kesteven	335	95	223	266	356	545	465	577

4.15 As at the end of July 2018, there are 766 outstanding Revenues customers for City of Lincoln and 376 for North Kesteven. Whilst this has increased since the end of Quarter 1, the rate of increase is not as high, as in previous months. This is due to increased staffing within the team, since mid-July.

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	Q1 2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
City of Lincoln	107.66%	81.81%	76.38%	75.22%	68.60%	72.98%	89.14%
North Kesteven	136.61%	88.31%	70.16%	77.76%	64.61%	85.40%	92.85%

4.18 At the end of July 2018 overpayment collection stood at 109.55% for Lincoln and 125.83% for North Kesteven, (meaning 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.

31 st March	Q1 2018/19	2018	2017	2016	2015	2014
City of Lincoln	£4,163,619	£4,219,349	£4,081,552	£3,510,798	£3,186,971	£2,633,438
North Kesteven	£1,764,981	£1,824,908	£1,793,997	£1,482,271	£1,324,672	£1,011,484

4.20 In respect of 2018/19, outstanding overpayments figures at the end of July 2018 are £4,105,545 for City of Lincoln and £1,761,121 for North Kesteven – this is a continued reduction for both authorities.

- 4.21 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 31 July 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:

31st March	Q1 2018/19	2018	2017	2016	2015	2014	2013	2012
City of Lincoln	1,312	696	555	1,064	1,267	2,396	2,004	2,401
North Kesteven	445	511	500	714	1,036	978	1,206	2,648

The rollout of Universal Credit Full Service has had a significant impact on the processing performance, with the section receiving 5,585 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.

As a result, overtime has been offered to staff to improve the processing position. This was undertaken by the Sleaford-based Team during June 2018, resulting in improved performance figures as shown in the above table. As at 18th July, the oldest date for North Kesteven is 10th July 2018, with 429 outstanding customers. Lincoln-based offers are undertaking overtime during July and August, whilst it is expected the oldest date of work will be brought forward, the level of outstanding work is unlikely to reduce significantly due to the large volume of work being received. Officers will review the position on a weekly basis and ensure plans are in place to improve figures throughout quarter 2 and beyond.

- 5.2 As at the end of July 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 July 2018)		
	Customer has been contacted	Customer not yet contacted	Total
City of Lincoln	409	1035	1444*
North Kesteven	165	266	431

5.3 It is 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 have 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		Q1 2017/2018 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	30.13	24.29	29.44	25.45	26.14	28.33
	North Kesteven	24.57	18.81	15.98	12.76	12.05	12.66
Changes of Circumstance	Lincoln	4.72	4.00	4.49	5.40	5.07	6.97
	North Kesteven	3.80	2.82	3.06	2.84	2.91	2.92

These figures for change of circumstances are positive and competitive against the national position – the most recent data available (from Department for Work and Pensions) at the time of writing this report, relates to Quarter 3 2017/18 – with the average for new claims being 22 days, and for changes of circumstance 9 days. However, new claims have increased for both City of Lincoln and North Kesteven. This is due to a significant increase in workload within the quarter, reprioritisation of change in circumstances and the delay in new claim information from the Department for Work and Pensions. In quarter 1 a total of 13,122 changes were processed, compared to 10,873 in the same quarter in 2017/18. Of these, 5,582 are Universal Credit changes. The 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). The housing costs are covered by Housing Benefit. 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 6 day increase as shown in the above table.

Unfortunately, the national statistics for speed of processing for 2017/18 is not currently available. Historically, this has been released in October 2017, therefore, an update will be provided at the next meeting of this Committee on 9 November 2018.

However, taking the above into account, change of circumstances performance levels have improved when compared to quarter 1 in 2017/18 – City of Lincoln at 5.38 days in 2017/18 compared to 3.80 days in 2018/19 and North Kesteven at 3.33 days in 2017/18 compared to 2.90 days in 2018/19.

- 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	Q1 2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
City of Lincoln	87.50%	92%	91%	83%	79%	77%	72%	65%
North Kesteven	95.45%	95%	95%	97%	98%	98%	100%	99%

A total of 41 claims were checked during quarter 1. Whilst the percentage accuracy has reduced for City of Lincoln, the number of claims being checked is increasing as part of the Quality Checking action plan. In July, a total of 48 claims were checked with 45 of these being correct – this is an accuracy rate of 93.75%.

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 27th November 2018.

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 – Annual Outturn 2018/19, and July 2018

List of Background Papers:

None

Lead Officer:

Martin Walmsley, Head of Shared Revenues and
Benefits
Telephone (01522) 873597