

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 3 2018/19.
- 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 27th November 2018 meeting of this committee, a report was presented detailing Revenues and Benefits performance up to the end of October 2018.
- 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 3 2018/19 to Quarter 3 2017/18, City of Lincoln and North Kesteven are lower by 0.30% & and 0.33% respectively.
- 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 £2.6m 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. The Single Person Discount review, which took place earlier this year, has had an impact in terms of raising the amount of revenue to be collected, although it is hoped this can be collected in-year wherever possible.

4.5 Business Rates

- 4.6 Comparing Quarter 3 2018/19 to 2017/18, City of Lincoln is down by 0.20%, North Kesteven down by 0.21% and West Lindsey up by 0.90%. Although Lincoln and North Kesteven are both below last year's Quarter 3 position, the shortfall has improved from the end of Quarter 2 by 0.12% (Lincoln) and 0.01% (North Kesteven).
- 4.7 When considering the current collection levels it should be noted that the total net receipt has also increased from 2017/18 by £1m for City of Lincoln, £919k for North Kesteven and £693k for West Lindsey.
- 4.8 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.

City of Lincoln:

	Total net receipt (£)	Net collectable debit (£)
2018/19	38,696,874	44,877,853
2017/18	37,889,196	43,838,636
Difference	+870,678	+1,039,217

North Kesteven:

	Total net receipt (£)	Net collectable debit (£)
2018/19	23,102,541	27,178,866
2017/18	22,375,815	26,260,198
Difference	+726,726	+918,668

West Lindsey:

	Total net receipt (£)	Net collectable debit (£)
2018/19	14,508,163	17,528,481
2017/18	13,783,184	16,835,283
Difference	+724,979	+693,198

4.9 Lincoln Business Improvement District (BID) Levy Collection

- 4.10 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 3 2018/19.

A comparison of in-year collection rates between BID financial years ending 31st December 2017 and 31st December 2018 shows a decrease in collection and is shown in the table below. However, the decrease has reduced from 1.27% down at the end of Quarter 2 2018/19 to 0.33% down at the end of Quarter 3 – so direction of travel is positive and officers will continue to manage performance closely.

Quarter 3 2017/18	99.06%	Increase/ (Decrease) (0.33%)
Quarter 3 2018/19	98.73%	

4.11 Outstanding Revenues Customers

4.12 The number of outstanding Revenues Customers as the end of Quarter 3 2018/19 shows an increase since 31st March 2018, however there has been a significant reduction from 1,138 to 641 – a 44% reduction.

The position had increased due to a Single Person discount review and subsequent enquiries. The Council Tax e-forms introduced (and to be further developed for other areas of Council Tax work) have resulted in processes becoming more efficient.

	Q3 2018/19	Q2 2018/19	31 st March 2018	Q3 2017/18	Q2 2017/18
City of Lincoln	401	749	121	80	624
North Kesteven	241	389	95	68	393

4.13 Although the position is not quite as positive as at the end of Quarter 3 2017/18 (493 more customers outstanding at the end of Quarter 3 2018/19), the direction of travel is positive as well as e-forms making improved positions more sustainable - the Revenues Team will again go into the annual billing process in a strong position.

4.14 Housing Benefit Overpayments

4.15 Although in-period collection rates have slipped during Quarter 3 due to unforeseen reduced staffing capacity in this area, the overall position is still positive as outstanding Housing Benefit (HB) overpayments levels continues to reduced – as shown in the table below.

Outstanding HB overpayments	Q3 2018/19	Q2 2018/19	31st March 2018	Q3 2017/18	Q2 2018/18
City of Lincoln	£4,012,053	£4,061,218	£4,219,349	£4,248,202	£4,121,223
North Kesteven	£1,640,470	£1,703,094	£1,824,908	£1,823,546	£1,853,274

4.16 A separate, more detailed report – ‘Housing Benefit Overpayments Update’ – is included elsewhere on this committee’s agenda.

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:

	Q3 2018 /19	Q2 2018/19	2018	2017	2016	2015	2014	2013
City of Lincoln	1,344	1,520	696	555	1,064	1,267	2,396	2,004
North Kesteven	341	471	511	500	714	1,036	978	1,206

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.

The rollout of Universal Credit Full Service continues to have a significant impact on processing performance, with the Benefits Team receiving (up to 25th January 2019) 18,823 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, there has been a significant increase in documents needing to be assessed – particularly for City of Lincoln due to Universal Credit being live at Lincoln Jobcentre Plus since March 2018.

5.2 As at the time of writing this report, on 25th January 2019, 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 25th January 2019)			
	Customer has been contacted	Customer not yet contacted	Total	Oldest Date
City of Lincoln	446	909	1,355	31 st December 2018
North Kesteven	83	300	383	4 th January 2019

- 5.3 Out of the 1,209 customers outstanding and not yet contacted, 896 (74%) are Universal Credit documents (split by 722 Lincoln (79%), 174 North Kesteven (58%). This reaffirms the additional demands Universal Credit related documentation is having on the Benefits as team.

Under a backdrop of reducing levels of grant from central government, it is increasingly challenging to 'juggle' resources, with Benefits Officers not only provide claims assessment, but also administering Discretionary Housing Payments, Revisions and Appeals, Universal Credit support, Overpayments collection, Subsidy and Quality Control, and various initiatives relating to reducing fraud and error in the system.

- 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:

Average no. days processing (<i>cumulative</i>)		Q3 2018/19	Q2 2018/19	2017/18 (Annual outturn)	Q3 2017/18	Q2 2017/18
New Claims	Lincoln	27.00	28.16	24.29	23.73	23.24
	North Kesteven	23.61	23.52	18.81	19.04	19.26
Changes of Circumstance	Lincoln	8.03	8.09	4.00	7.93	7.62
	North Kesteven	5.15	4.66	2.82	5.59	6.15

Changes of Circumstance average processing times are relatively equal to the same point in 2017/18, and will improve further in Quarter 4 – as is usual with a high number of '1 day' processing items for the new financial year.

New Claims performance for both local authorities has slipped in comparison to 2017/18, although Lincoln's average processing time has improved by 1.16 days from Quarter 2 to Quarter 3 2018/19.

Housing Benefit claims where a Universal Credit claim is being made too (exempt categories – such as supported accommodation) is resulting in local authorities 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 claims processing times for New Claims. A rolling action plan is in place, aiming to further improve performance in this area.

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	Q3 2018/19	Q2 2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
City of Lincoln	86.34%	84.00%	92%	91%	83%	79%	77%	72%	65%
North Kesteven	95.47%	96.10%	95%	95%	97%	98%	98%	100%	99%

In 2018/19 so far, for Lincoln 183 claims have been checked with 158 been right first time, the equivalent figures for North Kesteven being 287 checked with 274 right first time. As Universal Credit has been rolled out in Lincoln since March 2018 (Sleaford from November 2018) there has been concentration on checking these claims for Lincoln which are time-consuming and more likely to contain initial errors due to the complexity of these cases. However, it is anticipated that over time this will improve – and in fact Lincoln’s performance has improved by 2.34% from Quarter 2 to Quarter 3 2018/19.

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 4th June 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 3 2018/19

List of Background Papers: None

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