

SUBJECT:	REVENUES AND BENEFITS SHARED SERVICE 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 City of Lincoln Council, up to the end of Quarter 1 2019/20.

3. Background

- 3.1 Our Revenues and Benefits function is administered as part of a shared service with North Kesteven District Council, with City of Lincoln Council being the host authority for the shared service.
- 3.2 Performance for both City of Lincoln and North Kesteven is monitored by the Revenues and Benefits Joint Committee on a quarterly basis – the next report is to be presented to the Joint Committee in September 2019.
- 3.3 This report focuses on performance for City of Lincoln.

4. Revenues Performance

4.1 Council Tax

- 4.2 As at the end of Quarter 1 2019/20, in-year collection for City of Lincoln Council is 0.38% lower than as at the same point in the previous financial year. This is partly due to £129,222 (equivalent to 0.28% of in-year collection) being paid over the weekend (29th/30th June) and therefore could not be included within June 2019 collection (as these monies were paid against accounts on Monday 1st July).
- 4.3 The annual in-year collections for Council Tax, since the shared service formed (1st June 2011), are shown in the table below:

<i>End Q1 2018/19</i>	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
26.71%	96.76%	97.17%	97.09%	97.12%	96.93%	96.56%	96.32%	96.80%

Although Council Tax in-year collection for 2018/19 reduced by 0.41% compared to 2017/18, this is still a positive outturn position considering factors such as the economic climate, cumulative impacts of national welfare reforms and Council Tax Support schemes. Also, when considering the 2018/19 current collection level, it should be noted that the net collectable debit had increased from 2017/18 by £2.57m.

Officers have undertaken comparisons of collection rate to deprivation statistics and rankings. This analysis suggests that City of Lincoln are collecting 1.5% more Council Tax in-year than could reasonably be expected and gives a ranking outcome of 29th. Under the same comparisons, City of Lincoln are currently 8th in the ranking of District authorities (last year 9th).

When comparing overall in-year collection rates nationally, City of Lincoln's outturn figure is ranked 228th out of 326 billing authorities.

The table below shows comparisons to other Lincolnshire local authorities, for the year 2018/19:

Local Authority	Collection Rate 2018/19
North Kesteven	99.1%
South Kesteven	98.8%
West Lindsey	98.1%
South Holland	97.8%
East Lindsey	97.0%
City of Lincoln	96.8%
Boston	96.0%

4.4 Business Rates

4.5 Compared to the same point in 2018/19, as at the end of Quarter 1 2019/20 in-year Business Rates collection is down by 1.37%. This is partly due to £424,290 (equivalent to 0.94% of in-year collection) being paid over the weekend (29th/30th June) and therefore could not be included within June 2019 collection (as these monies were paid against accounts on Monday 1st July).

4.6 The table below shows in-year collections for Business Rates, from 2011/12 to 2018/19:

End Q1 2019/20	2018/ 19	2017/ 18	2016/ 17	2015/ 16	2014/ 15	2013/ 14	2012/ 13	2011/ 12
34.49%	99.81%	98.87%	99.43%	99.78%	99.46%	99.31%	99.08%	99.20%

4.7 This is an extremely positive annual outturn position for 2018/19, even more so when considering the total net collectable debit had increased from 2017/18 by £646k.

When comparing collection rates nationally, City of Lincoln's collection rate is ranked 5th out of 326 billing authorities.

The table below shows comparisons to other Lincolnshire local authorities, for the year 2018/19:

Local Authority	Collection Rate 2018/19
City of Lincoln	99.2%
South Holland	98.9%
East Lindsey	98.4%
North Kesteven	98.3%
West Lindsey	98.0%
Boston	97.9%
South Kesteven	96.5%

4.8 Outstanding Revenues Customers

4.9 The table below shows the number of outstanding Revenues correspondence in our Document Management System, at the end of each of the last eight financial years, as well as the position at the end of Quarter 1 2018/19.

End Q1 2019/ 20	2018/ 19	2017/ 18	2016/ 17	2015/ 16	2014/ 15	2013/ 14	2012/ 13	2011/ 12
616	437	121	296	448	1,025	683	939	1,713

4.10 The number of outstanding Revenues Customers as the end of quarter 1 2019/20 shows an increase since 31 March 2019, as well as compared to the end of 2017/18. However, this is still a positive position. The workload was up-to-date going into new year billing, however an influx of documents during the billing period from early-mid March created the increased figure at the end of the financial year. Also, in the Council Tax base there are now an additional 1,051 properties to administer (split Lincoln 501, North Kesteven 550), - as well as staffing resources on the Council Tax Team being reduced at points throughout the year due to unforeseen circumstances. Staffing resources have now been resolved and further recruitment is taking place as at the time of writing this report.

The Council Tax Administration team has, and continues to, work with our Business Development Team to implement and improve processes to 'channel shift' customer contact and further adopt 'lean' principles. These have included online e-forms for 'reporting a move', Direct Debits 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 generates efficiencies in these processes, meaning resources can be allocated to more complex procedures and customer enquiries.

4.11 Housing Benefit Overpayments

4.12 The table below shows in-period collection rates over the last seven 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 2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
City of Lincoln	92.78%	100.38%	81.81%	76.38%	75.22%	68.60%	72.98%	89.14%

- 4.13 A dedicated project, working in conjunction with Department for Work and Pensions (DWP) has made significant overall improvements in Housing Benefit (HB) Overpayments collection and recovery. This can also be demonstrated in the table below, showing an overall reduction in the amount of HB Overpayments debt outstanding to the Council since the end of 2017/18 (the project commenced early in 2018/19).

Date	End Q1 2019/20	End 2018/19	End Year 2017/18	End Year 2016/17	End Year 2015/16	End Year 2014/15
Outstanding Housing Benefit overpayments (£)	£4,009,365	£3,973,125	£4,219,349	£4,081,552	£3,510,797	£3,186,900

- 4.14 The vast majority of these outstanding overpayments are under arrangement – but due to the amounts involved frequently take extended periods of time to be repaid to the Council. Also, the cause of most overpayments is out of the local authorities' direct control, being due to delays in changes in circumstances being reported by customers. Whilst the value of overpayments outstanding is decreasing, staff are still creating overpayments – through delays in changes in circumstances being processed – these delays can be caused by customers, DWP or by ourselves.

5. Benefits Performance

5.1 Outstanding Benefits Customers

- 5.2 The table below demonstrates the outstanding Benefits work at the end of each of the last eight financial years, also the position at the end of Quarter 1 2019/20.

End Q1 2018/19	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
565	897	696	555	1,064	1,267	2,396	2,004	2,401

Although at the end of 2018/19, the overall position was not quite as positive as at the end of the last two financial years, this is still a much improved position compared to other previous financial years. The rollout of Universal Credit Full Service in Lincoln and Sleaford Jobcentre Plus has placed significant increased processing demands on our Benefits assessment team. Officers have put in a number of measures to reduce the level of outstanding work in Q1 2018/19, which can be demonstrated by the much-reduced level of work outstanding – 565 customers' items at the end of June 2019.

5.3 Average Processing Times

5.4 The table below shows the average time for processing Housing Benefit New Claims and Changes of Circumstance over the last six financial years (figures not shown prior to April 2013, as these included the former national Council Tax Benefit scheme):

Average no. days to process		2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
City of Lincoln	New Claims	25.82	30.13	29.44	25.45	26.14	28.33
	Changes	4.12	4.72	4.49	5.40	5.07	6.97

5.5 Overall these figures are positive, especially for Changes of Circumstance, - however New Claims performance has been somewhat detrimentally impacted by the requirements of Universal Credit. For example, for the Universal Credit customers where Housing Benefit is still to be claimed (e.g. exempt categories) where housing costs are still covered by Housing Benefit – where 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.

5.6 New Claims performance for Q1 2019/20 was 27.10 days, and Changes of Circumstance 5.09 days. An action plan is in place aiming to improve New Claims performance during Q2 2019/20.

5.7 Financial Accuracy of Processing

5.8 An enormous amount of work has been put into addressing financial accuracy of processing, and the table below demonstrates how performance has improved and been maintained in recent financial years.

Financial accuracy of processing	
2011/12	65.00%
2012/13	72.41%
2013/14	76.50%
2014/15	78.99%
2015/16	82.81%
2016/17	91.00%
2017/18	87.50%
2018/19	86.07%
2019/20 – Q1	90.41%

A total of 244 claims were checked during 2018/19 with 210 being 'right first time'. Officers target quality checks, including cases more likely to be incorrect – e.g. claims where Universal Credit is a consideration, which are generally more complex – although with training and support in place this is improving. In Q1 2019/20 66 out of 73 claims checked were right first time. In addition to these targeted checks, more checks are also carried out as part of the rolling annual subsidy claim checking regime.

6. Summary

- 6.1 Despite the ongoing challenges in terms of frequently-changing legislation and ongoing welfare reforms, the Revenues and Benefits Shared Service performance on the whole continues to be positive, at the same time delivering significant savings to the partner local authorities.

Officers are proactive in implementing new innovative processing methods, embracing technology, and being involved in positive partnership working to not only deliver Revenues and Benefits but to also play a key role in projects to improve residents lives- for example, projects which help people gain new skills and move into work.

It was especially pleasing for our shared service to secure a prestigious national award in October 2018, for 'Excellence in Partnership Working' – at the annual Institute of Rating Revenues and Valuation (IRRV) Performance Awards. Not only was the service winners of the aforementioned award, but was also shortlisted as finalists for two further awards – 'Most Improved Team of the Year' and 'Benefits and Welfare Reform Team of the Year'. This is testament to the success of our shared service partnership itself, our positive partnership with local DWP services, as well as with a range of other public, private and voluntary sector partners. Our shared service is progressive and ambitious, and this award further evidences everyone's hard work in making our service a success.

7. Strategic Priorities

- 7.1 Let's reduce inequality: The Revenues and 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. A Fair Collection and Debt Recovery Policy is in place.

8. Organisational Impacts

- 8.1 Financial: Prompt and efficient recovery of amounts due to the Council helps to ensure that income receivable is collected in order to finance critical services.
- 8.2 Legal Implications including Procurement Rules: There are no direct legal implications from this report.
- 8.3 Equality, Diversity & Human Rights: There are no direct implications arising from this

report.

9. Risk Implications

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

10. Recommendation

10.1 Members note the information as set out in this report.

Key Decision Yes/No

Do the Exempt Information Categories Apply? Yes/No

Call in and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply? Yes/No

How many appendices does the report contain? None

List of Background Papers: None

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