

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 annual outturn Revenues and Benefits performance information – for the financial year 2019/20, up to the end of July 2019.
- 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 3rd June 2019 meeting of this committee, a report was presented detailing Revenues and Benefits performance for the financial year 2018/19.
- 3.2 Performance is reported to this committee on a quarterly basis.

4. Revenues Performance

4.1 Council Tax

- 4.2 The table below shows Council Tax in-year collection period for the current financial year 2019/20 up to the end of July, compared to the same point in 2018/19. The table also shows the whole year outturn for 2018/19.

Financial Year	2019/20 (to end Jul 2019)	2018/19 (to end Jul 2018)	2018/19 (year outturn)
City of Lincoln	35.32%	35.63%	96.76%
North Kesteven	38.94%	39.34%	99.08%

- 4.3 As at the end of July 2019, Council Tax in-year collection is down by 0.31% and 0.40% for City of North Kesteven, respectively.

In respect of City of Lincoln, the reduced collection rate of 0.31% equates to £140,247, - however the net collectable debit has increased by £2.9m. Total net receipt has increased by £895,004.

For North Kesteven, the reduced collection rate of 0.40% equates to £263,673, - however the net collectable debit has increased by £4.8m and total net receipt has increased by £1.6m. There has been an additional 569 properties added to the taxbase compared to April 2018.

Council Tax Support caseload for both authorities is reducing, as shown in the table below:

	City of Lincoln	North Kesteven
June 2019	8,523	5,570
May 2019	8,559	5,559
April 2019	8,598	5,580
December 2018	8,669	5,725
September 2018	8,698	5,744
June 2018	8,784	5,805

Council Tax Support expenditure has increased between June 2018 and June 2019, but not commensurate to the significant increases in net collectable debit.

- June 2019: City of Lincoln £7,786,374 / North Kesteven £5,330,875
- June 2018: City of Lincoln £7,707,817 / North Kesteven £5,266,903.

This declining caseload will partly explain the reasons for a drop in in-year collection. Officers are currently working on a proactive Council Tax Support take-up campaign – to ensure taxpayers are receiving what they are entitled to.

4.4 Business Rates

- 4.5 The table below shows Business Rates in-year collection period for the current financial year 2019/20 up to the end of July, compared to the same point in 2018/19. The table also shows the whole year outturn for 2018/19.

Financial Year	2019/20 (to end Jul 2019)	2018/19 (to end Jul 2018)	2018/19 (year outturn)
City of Lincoln	42.53%	44.51%	99.81%
North Kesteven	48.66%	48.51%	99.42%
West Lindsey	42.83%	42.25%	98.63%

- 4.6 As at the end of July 2019, Business Rates in-year collection is down by 1.98% for City of Lincoln, - however, collection is up by 0.15% and 0.58% for North Kesteven and West Lindsey, respectively.

In respect of City of Lincoln, the reduced collection rate of 1.98% equates to £893,472 of the net collectable debit. Total net liability has decreased by £362,820 and total net receipt has decreased by £1,055,010. Officers are currently ascertaining the reasons for these reductions, and a verbal update will be provided to this Committee on 6th September 2019.

For North Kesteven, the increased collection rate of 0.15% equates to £42,307 of the net collectable debit. Total net liability has increased by £562,585.

For West Lindsey, the increased collection rate of 0.58% equates to £103,707 of the net collectable debit. Total net liability has increased by £348,288, total net receipt also increasing (by £251,938).

4.7 Outstanding Revenues Customers

- 4.8 The table below shows how many items of Revenues Customers' correspondence is outstanding up to the end of July 2019, compared to the same point in 2018/19. The table also shows the position at the end of 2018/19.

Financial Year	2019/20 (to end Jul 2019)	2018/19 (to end Jul 2018)	2018/19 (year outturn)
City of Lincoln	779	766	437
North Kesteven	426	376	201

- 4.9 Although outstanding numbers have increased by a total of 567 from the end of 2018/19, the position at the end of July compared to that same point in the year prior – is only 13 more for Lincoln, and only 50 more for North Kesteven. In reality, the team is in a much better position than in previous years due to work which has, and still is, taking place earlier in the financial year – for example, registration of students for Council Tax with appropriate discounts and exemptions. This is largely due to one of the e-forms developed which collects data sooner and in a more efficient manner, meaning this large influx of work can be dealt with earlier in the financial year.

4.10 Housing Benefit Overpayments

- 4.11 The table below shows outstanding debt for the current financial year 2019/20 up to the end of June, compared to the 'baseline' point at which a specific Overpayments project commenced in May 2018.

Financial Year		June 2019	May 2018
City of Lincoln	Outstanding debt	£3,690,645	£4,113,397
North Kesteven	Outstanding debt	£1,517,083	£1,700,825

- 4.12 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, up to the end of July 2019, compared to the same point in 2018/19. The table also shows the position at the end of 2018/19.

Financial Year	2019/20 (to end Jul 2019)	2018/19 (to end Jul 2018)	2018/19 (year outturn)
City of Lincoln	589	1,444	897
North Kesteven	306	432	502

A dedicated plan to reduce outstanding work levels has been in place, which has resulted in a significant reduction of outstanding work in Quarter 1. The age of the oldest item of outstanding work is generally being maintained at a level of around one week. It is vital this improved position is maintained moving forward.

5.2 In terms of Housing Benefit average processing times, the table below shows figures for New Claims and Changes of Circumstance:

Financial Year		2019/20 (to end July 2019) Average no. days	2018/19 (to end July 2018) Average no. days	2018/19 (year outturn) Average no. days
New Claims	Lincoln	26.35	29.32	25.82
	North Kesteven	23.88	23.91	27.49
Changes of Circumstance	Lincoln	5.09	6.53	4.12
	North Kesteven	5.09	4.08	2.98

Performance for all measures is now looking positive moving forward. Processes have been (and continue to be) reviewed and it is envisaged New Claims performance can improve further as the financial year progresses.

Universal Credit (UC) continues to have an impact on processing times due to the number of UC-related documents requiring processing, as well as officers awaiting UC-related decisions (for example, in respect of supported accommodation) before putting Housing Benefit into payment in some cases.

5.3 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	2019/20 (to end Jul 2019)	2018/19 (to end Jul 2018)	2018/19 (year outturn)
City of Lincoln	94.07% <i>(127 out of 135 checked)</i>	89.58% <i>(43 out of 48 checked)</i>	86.07% <i>(210 out of 244 checked)</i>
North Kesteven	95.35% <i>(41 out of 43 checked)</i>	95.65% <i>(132 out of 138 checked)</i>	95.92% <i>(306 out of 319 checked)</i>

The level of performance is improving and being maintained, which is particularly pleasing in light of the rollout of Universal Credit making some assessments more complex. There has continued to be concentration on checking claims more likely to be assessed incorrectly first time, - it should also be noted that even '£0.01p' is counted as financially incorrect.

In addition to these targeted checks, more checks are also carried out as part of the rolling annual subsidy claim checking regime.

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 26th November 2019.

Is this a key decision?

No

Do the exempt information categories apply?

No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?

No

How many appendices does the report contain?

Appendix 1: Performance Data to end July 2019

List of Background Papers:

None

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