

<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 Quarter 2 2019/20.
- 2.2 The Revenues and Benefits Shared Service has now been in operation since 1<sup>st</sup> 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 6<sup>th</sup> September 2019 meeting of this committee, a report was presented detailing Revenues and Benefits performance up to the end of July 2019.
- 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 Quarter 2, compared to the same point in 2018/19.

Financial Year	End Quarter 2 2019/20	End Quarter 2 2018/19
City of Lincoln	52.87%	52.80%
North Kesteven	57.42%	57.77%

- 4.3 As at the end of Quarter 2 2019/20, Council Tax in-year collection for City of Lincoln is up

by 0.07% and North Kesteven down by 0.35%.

For City of Lincoln, not only is collection marginally higher than in the year prior (by 0.07% - equivalent to £31,429), but the net collectable debit has also increased by £2,955,109.

For North Kesteven, the reduced collection rate of 0.35% equates to £230,952. However, the net collectable debit has increased by £4,685,501 and total net receipt has increased by £2,471,812. In-year collection was down by 0.49% at the end of August 2019 (equivalent to a reduction of £323,221) – which shows the improvement in September 2019. There has been an additional 573 properties added to the taxbase compared to April 2018.

#### 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 Quarter 2 2019/20, compared to the same point in 2018/19.

Financial Year	End Quarter 2 2019/20	End Quarter 2 2018/19
City of Lincoln	59.58%	60.57%
North Kesteven	63.00%	63.31%
West Lindsey	58.80%	58.39%

4.6 As at the end of Quarter 2 2019/20, Business Rates in-year collection is down by 0.99% for City of Lincoln, down by 0.31% for North Kesteven, but up by 0.41% for West Lindsey.

In respect of City of Lincoln, the reduced collection rate of 0.99% equates to £446,555 of the net collectable debit. Total net liability has increased by £60,882 and total net receipt has decreased by £411,427. In-year collection was down by 1.61% at the end of August 2019 (equivalent to a reduction of £784,462) – which demonstrates improvement in September 2019.

For North Kesteven, the decreased collection rate of 0.31% equates to £87,663 of the net collectable debit. Total net liability has increased by £808,072 and total net receipt has decreased by £367,226.

For West Lindsey, the increased collection rate of 0.41% equates to £73,424 of the net collectable debit. Total net liability has increased by £286,462, total net receipt also increasing (by £241,829).

#### 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 Quarter 2 2019/20, compared to the same point in 2018/19. The table also shows the position at the end of Quarter 1 2019/20, and the year outturn 2018/19.

Financial Year	End Quarter 1 2019/20	End Quarter 2 2019/20	End Quarter 2 2018/19	2018/19 (year outturn)
City of Lincoln	616	1,177	766	437
North Kesteven	316	571	376	201

- 4.9 Although outstanding numbers have increased by a total of 816 from the end of Quarter 1 2019/20, and by 606 compared to Quarter 2 2018/19, it should be noted that the team is now in a strong position to move forward. As previously advised to this committee work 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. Also, there has been a reduction in staffing resources – however, these positions have now been filled so will have a positive impact over the second half of the financial year.
- 4.10 The student verification process set up working in partnership between the Council Tax Administration Team and City of Lincoln Business Development Team, has had a significantly positive impact this year.

Student verification spreadsheets have been returned from the University of Lincoln and of the 5,300 students on Council Tax records for this year, the University has validated 4,900 of them. This means the Council Tax Administration Team now has just 400 students which need to be followed up as they have not been verified (to confirm with landlords whether they have in fact started their course, and if they have, obtain the student certificates for them).

Prior to the verification process, the Council Tax Administration Team would have had to manually check these and then if they found someone not on the list, contact the University to confirm they are/ are not a student before following up with further enquiries. Officers estimate the more automated verification process has saved as much as 400 hours, or in real terms, in previous years, these student changes would not usually be completed until the following February – which means the Council Tax Administration Team is now going to be able to concentrate on reducing other areas of outstanding work.

In addition, the new process has resulted in Council Tax accounts being adjusted quickly, and accurate bills being issued.

#### 4.11 Housing Benefit Overpayments

- 4.12 The table below shows outstanding Housing Benefit overpayment debt up to the end of Quarter 2 2019/20, compared to the same point in 2018/19. The table also shows the position at the end of Quarter 2 2019/20, and the year outturn 2018/19.

Financial Year	End Quarter 1 2019/20	End Quarter 2 2019/20	End Quarter 2 2018/19	2018/19 (year outturn)
City of Lincoln	£4,009,365	<b>£3,795,553</b>	£4,061,218	£3,973,125

<b>North Kesteven</b>	£1,658,209	<b>£1,625,080</b>	£1,703,094	£1,643,394
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- 4.13 In terms of 'in-period' collection of Housing Benefit Overpayments – i.e. the £ collected as a percentage of the £ raised, these are shown in the table below:

<b>Financial Year</b>	<b>End Quarter 1 2019/20</b>	<b>End Quarter 2 2019/20</b>	<b>End Quarter 2 2018/19</b>	<b>2018/19 (year outturn)</b>
<b>City of Lincoln</b>	92.78%	<b>101.25%</b>	105.48%	100.38%
<b>North Kesteven</b>	84.03%	<b>95.63%</b>	124.61%	107.45%

- 4.14 Therefore, collection of Housing Benefit overpayments continues to be positive, with proactive arrangements in place. Officers have also written an article for a professional publication (IRRV Benefit magazine <https://www.irrv.net/homenew/item.php?iid=26067&wid=52&did=0> ) regarding the piece of work with Department for Work and Pensions to improve overpayments processes and performance, which took place over the last eighteen month. It is anticipated this article will appear in the December 2019 edition of this publication, which is really positive for our shared service and our commitment to both improving performance and to partnership working.

## 5. Benefits Performance

- 5.1 The table below shows the number of outstanding Benefits customers awaiting assessment, up to the end of Quarter 2 2019/20, compared to the same point in 2018/19. The table also shows the position at the end of 2018/19.

<b>Financial Year</b>	<b>End Quarter 1 2019/20</b>	<b>End Quarter 2 2019/20</b>	<b>End Quarter 2 2018/19</b>	<b>2018/19 (year outturn)</b>
<b>City of Lincoln</b>	624	<b>939</b>	1,520	897
<b>North Kesteven</b>	331	<b>283</b>	471	502

The proactive action plan in place to reduce outstanding work levels continues to work effectively, although it is recognised the level has increased by a total of 267 from the end of Quarter 1 to the end of Quarter 2 2019/20 – however is 769 lower than at the end of Quarter 2 2018/19. Increased leave over the summer period has had an impact, however this continues to be tackled positively and a verbal update will be provided to this committee on 25<sup>th</sup> November.

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

Financial Year		End Quarter 1 2019/20 Average no. days	End Quarter 2 2019/20 Average no. days	End Quarter 2 2018/19 Average no. days	2018/19 (year outturn) Average no. days
New Claims	Lincoln	27.10	<b>23.43</b>	28.16	25.82
	North Kesteven	27.50	<b>21.59</b>	23.52	27.49
Changes of Circumstance	Lincoln	5.09	<b>5.22</b>	8.09	4.12
	North Kesteven	5.31	<b>5.20</b>	4.66	2.98

Performance for all measures is looking positive moving forward. Processes have been (and continue to be) reviewed and it is envisaged New Claims performance will continue to improve 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. Our Benefits Service now has a reduced number of HB new claims to process (as some customers move on to UC) and some of those claims that we do receive are exempt/supported accommodation which can often take longer to gather information and process. Effectively the 'baseline' for assessing HB claims compared to 'pre-UC' rollout has potentially increased.

Positively in terms of 'direction of travel', in week-ending 6<sup>th</sup> October 2019, new claims were processed in an average of 19 and 18 days, for City of Lincoln and North Kesteven, respectively.

- 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	End Quarter 2 2019/20	End Quarter 2 2018/19	2018/19 (year outturn)
<b>City of Lincoln</b>	95.57% <i>(345 out of 361 checked)</i>	83.91% <i>(73 out of 87 checked)</i>	86.07% <i>(210 out of 244 checked)</i>
<b>North Kesteven</b>	96.41% <i>(215 out of 223 checked)</i>	96.10% <i>(197 out of 205 checked)</i>	95.92% <i>(306 out of 319 checked)</i>

The level of performance continues to improve and is 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 5<sup>th</sup> February 2020.

**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 Quarter 2  
2019/20

**List of Background Papers:**

None

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