

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 – up to the end of Quarter 3 2019/20.
- 2.2 The Revenues and Benefits Shared Service has now been in operation since 1st June 2011, and improved performance is being maintained 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 25th November 2019 meeting of this committee, a report was presented detailing Revenues and Benefits performance up to the end of Quarter 2 2019/20.
- 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 3, compared to the same point in 2018/19.

Financial Year	End Quarter 3 2019/20	End Quarter 3 2018/19
City of Lincoln	79.03%	79.47%
North Kesteven	85.46%	85.94%

- 4.3 As at the end of Quarter 3 2019/20, Council Tax in-year collection is down for both City of Lincoln and North Kesteven, by 0.44% and 0.48%, respectively.

In respect of City of Lincoln, the reduced collection rate of 0.44% equates to £196,266, - however the net collectable debit has increased by £2,829,150. Total net receipt has increased by £2,054,522.

For North Kesteven, the reduced collection rate of 0.48% equates to £316,588, - however the net collectable debit has increased by £4,629,294 and total net receipt has increased by £3,658,841. 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 3, compared to the same point in 2018/19.

Financial Year	End Quarter 3 2019/20	End Quarter 3 2018/19
City of Lincoln	83.39%	86.23%
North Kesteven	84.29%	85.00%
West Lindsey	82.21%	82.77%

- 4.6 As at the end of Quarter 2 2019/20, Business Rates in-year collection is down for City of Lincoln, North Kesteven and West Lindsey, by 2.84%, 0.71% and 0.56%, respectively.

As at the end of Quarter 3 2019/20, in-year collection of Business Rates is 2.84% lower than at the end of Quarter 3 2018/19. A reduction in 2.84% equates to £1,276,089. A key reason for the reduction compared to 2018/19 performance is due to a business which overpaid their account by more than £450k last year, which was refunded in February 2019. Therefore, until the end of February 2020, it is difficult to compare 'like with like'. Officers have undertaken an analysis of a number of businesses whom it would be anticipated will fully pay their business rates in 2019/20, who currently have a level of arrears. Total net liability has increased by £54,888 and total net receipt has decreased by £1,225,008.

For North Kesteven, the decreased collection rate of 0.71% equates to £200,861 of the net collectable debit. Total net liability has increased by £1,111,479 and total net receipt has increased by £741,979.

For West Lindsey, the decreased collection rate of 0.56% equates to £100,323 of the net collectable debit. Total net liability has increased by £386,802, total net receipt also increasing (by £219,515).

Officers will continue to seek collection and recovery within the current financial year, wherever possible.

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 3 2019/20	End Quarter 3 2018/19	2018/19 (year outturn)
City of Lincoln	616	1,177	550	401	437
North Kesteven	316	571	263	241	201

4.9 It can be seen that significant progress has been made during quarter 3 2019/20, with an overall reduction of 53.5% in outstanding customers. Although the outstanding figure is higher than at the end of Quarter 3 2018/19, as highlighted previously to this committee significant work has been 'frontloaded' into the earlier part of the current financial year – so the Revenues team is in a strong position moving forward.

4.10 Housing Benefit Overpayments

4.11 The table below shows outstanding Housing Benefit overpayment debt up to the end of Quarter 3 2019/20, compared to the same point in 2018/19. The table also shows the position at the end of Quarter 3 2018/19, and the year outturn 2018/19.

Financial Year	End Quarter 1 2019/20	End Quarter 2 2019/20	End Quarter 3 2019/20	End Quarter 3 2018/19	2018/19 (year outturn)
City of Lincoln	£4,009,365	£3,795,553	£3,744,671	£4,012,053	£3,973,125
North Kesteven	£1,658,209	£1,625,080	£1,537,942	£1,640,470	£1,643,394

4.12 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:

Financial Year	End Quarter 1 2019/20	End Quarter 2 2019/20	End Quarter 3 2019/20	End Quarter 3 2018/19	2018/19 (year outturn)
City of Lincoln	92.78%	101.25%	99.61%	98.57%	100.38%
North Kesteven	84.03%	95.63%	107.65%	116.08%	107.45%

4.13 Therefore, collection of Housing Benefit overpayments continues to be positive, with outstanding monies continuing to reduce.

5. Benefits Performance

5.1 The table below shows the number of outstanding Benefits customers awaiting assessment, up to the end of Quarter 3 2019/20, compared to the same point in 2018/19. The table also shows the position at the end of 2018/19.

Financial Year	End Quarter 1 2019/20	End Quarter 2 2019/20	End Quarter 3 2019/20	End Quarter 3 2018/19	2018/19 (year outturn)
City of Lincoln	624	939	1,025	1,344	897
North Kesteven	331	283	283	341	502

The proactive action plan in place aiming to reduce outstanding work levels continues to work effectively, although it is recognised the level has increased by a total of 86 from the end of Quarter 2 to the end of Quarter 3 2019/20 – although this is still 377 lower than at the end of Quarter 3 2018/19. It is envisaged that further progress will be made in Quarter 4.

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 3 2019/20 Average no. days	End Quarter 3 2018/19 Average no. days	2018/19 (year outturn) Average no. days
New Claims	Lincoln	27.10	23.43	21.73	27.00	25.82
	North Kesteven	27.50	21.59	20.19	23.61	27.49
Changes of Circumstance	Lincoln	5.09	5.22	5.84	8.03	4.12
	North Kesteven	5.31	5.20	4.58	5.15	2.98

Performance for all measures continues to look positive with New Claims in particular significantly improved compared to 2018/19.

As previously highlighted to this committee, 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.

- 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, comparing to 2018/19:

Financial Year	End Quarter 3 2019/20	End Quarter 3 2018/19	2018/19 (year outturn)
City of Lincoln	95.56% <i>(452 out of 473 checked)</i>	86.34% <i>(158 out of 183 checked)</i>	86.07% <i>(210 out of 244 checked)</i>
North Kesteven	96.92% <i>(252 out of 260 checked)</i>	95.47% <i>(274 out of 287 checked)</i>	95.92% <i>(306 out of 319 checked)</i>

The level of performance continues to be 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.

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 3
2019/20

List of Background Papers: None

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