

SUBJECT:	REVENUES AND BENEFITS SHARED SERVICE 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 City of Lincoln Council, up to the end of 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 2020. This report focuses on performance for City of Lincoln.

4. Revenues Performance

4.1 Council Tax

- 4.2 Annual in-year collection outturns for Council Tax, since the shared service formed (1st June 2011), are shown in the table below:

Financial Year	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
City of Lincoln	96.77%	96.76%	97.17%	97.09%	97.12%	96.93%	96.56%	96.32%	96.80%

Compared to 2018/19, Council Tax in-year collection increased by 0.01%. In the present climate, in particular taking into account the economic challenges in March 2020 due to the coronavirus outbreak, this is considered a positive collection outturn. Also, it should be noted that the net collectable debit increased from 2018/19 by £2.57m.

Kesteven	106.12%	107.45%	88.31%	70.16%	77.76%	64.61%	85.40%	92.85%
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- 4.12 A process review, in partnership with Department for Work and Pensions (DWP), has culminated in significant and maintained 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.

Date	End 2019/20	End 2018/19	End 2017/18	End 2016/17	End 2015/16	End 2014/15
Outstanding Housing Benefit overpayments (£)	£3,573,112	£3,973,125	£4,219,349	£4,081,552	£3,510,797	£3,186,971

- 4.13 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. 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 shows the number of outstanding Benefits customers awaiting assessment, at the end of each financial year since the formation of the shared service:

31st March	2020	2019	2018	2017	2016	2015	2014	2013	2012
City of Lincoln	1,510	897	696	555	1,064	1,267	2,396	2,004	2,401

Although the overall position is not as positive as in recent financial years, the impacts of Covid-19 from mid-end March 2020 cannot be underestimated – with a significant increase in benefit claims, in addition to the usual increase in workload prior to the start of a new financial year – relating to income and rent increases, etc. As evidence of this, on 16th March there were 940 customers awaiting Benefits assessment. By 31st March, the number outstanding had increased to 1,510 – oldest date 11th March. The number of Universal Credit (UC) documents requiring processing had a real impact, with 56% of outstanding Lincoln documents being UC-related.

5.3 Average Processing times

- 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 eight financial years:

Financial Year		2019/20 Average no. days	2018/19 Average no. days	2017/18 Average no. days	2016/17 Average no. days	2015/16 Average no. days	2014/15 Average no. days	2013/14 Average no. days	2012/13 Average no. days
New Claims	Lincoln	20.60	25.82	24.29	29.44	25.45	26.14	28.33	23.60
Changes of Circumstance	Lincoln	3.17	4.12	4.00	4.49	5.40	5.07	6.97	8.10

Through process changes and allocating appropriate assessment resources, significant improvements have been made across the board – most prominently with new claims being assessed on average more than 5 days quicker.

5.6 Financial Accuracy of processing

5.7 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: 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%
2012/13	72%
2013/14	77%
2014/15	79%
2015/16	83%
2016/17	91%
2017/18	88%
2018/19	86%
2019/20	95%

In 2019/20, for 589 claims were checked with 560 being right first time. These levels of accuracy are pleasing, and show real overall improvement. In addition to these targeted checks, more checks are also carried out as part of the rolling annual subsidy claim checking regime.

6. Welfare and Benefits Advice

- 6.1 Providing benefits and money advice continues to be key, with a team of dedicated and knowledgeable officers providing invaluable support to residents of Lincoln. In 2019/20, the Welfare Team;
- Provided benefits advice to 7,372 customers;
 - Helped customers to secure £1.4m in additional benefits on an annual basis;
 - Helped customer to secure a total of £210k in lump sum benefit payments;
 - Provided money advice to help customers manage debt totalling £912k.

7. Summary

- 7.1 Despite the ongoing challenges in terms of frequently-changing legislation and ongoing welfare reforms, performance of the Revenues and Benefits Shared Service on the whole continues to be positive, at the same time delivering significant savings to the partner local authorities. The impacts of Covid-19, like in many other service areas, have been significant and are likely to be continue to be for some considerable time going forward – with increased contact from taxpayers and businesses struggling to pay their bills, as well as increased levels of benefit claims and associated support.

Officers continue to be 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. Success in ‘channel shift’ and improving ‘customer experience’ has been demonstrated through Covid-19 lockdown with customers able to access a whole host of Revenues and Benefits e-forms online and to contact teams via telephone, meaning face-to-face appointments have not been essential thus far.

Tackling ongoing welfare reform changes and providing required support continues to be a key focus for the team too, with a wealth of knowledge and experience – including in relation to Universal Credit support – embedded within the team with customers receiving as seamless path as possible through the welfare reform system.

8. Strategic Priorities

- 8.1 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.

9. Organisational Impacts

- 9.1 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.
- 9.2 Legal Implications including Procurement Rules: There are no direct legal implications from this report.

9.3 Equality, Diversity & Human Rights: There are no direct implications arising from this report.

10. Risk Implications

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

11. Recommendation

11.1 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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