

<b>SUBJECT:</b>	<b>PERFORMANCE UPDATE</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE AND TOWN CLERK</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 annual outturn Revenues and Benefits performance 2019/20, also performance up to the end of July 2020 in the current financial year 2020/21.
- 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 5<sup>th</sup> February 2020 meeting of this Committee, a report was presented detailing Revenues and Benefits performance up to the end of Quarter 3 2019/20.
- 3.2 Performance is reported to this Committee on a quarterly basis.
- 3.3 Performance over the last five months has been impacted by Covid-19 – a more detailed report on the impacts on Revenues and Benefits is also included on today's Committee Agenda. Officers have proactively responded to Covid-19, including;
- No concerted recovery action being taken in recent months;
  - Deferrals of Council Tax and Business Rates payments being permitted;
  - Significant increase in Housing Benefit and Council Tax Support claims;
  - Assessment and award of new government reliefs and grants.

Performance is likely to be impacted for many more months due to the cumulative effects of Covid-19 on household and business incomes.

## **4. Revenues Performance**

### **4.1 Council Tax**

- 4.2 Positive Council Tax in-year collection has been achieved for 2019/20, the table below showing how performance has progressed since the shared service formed in June 2011.

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%
North Kesteven	98.89%	99.08%	99.20%	99.14%	99.16%	99.25%	99.16%	99.13%	99.40%

- 4.3 Compared to 2018/19, Council Tax in-year collection levels increased by 0.01% for Lincoln, with North Kesteven reduced by 0.19%. Taking into account the economic challenges in March 2020 due to the coronavirus outbreak, these are considered positive collection outturns. Also, when considering the collection levels, it should be noted that the net collectable debit for both City of Lincoln and North Kesteven increased from 2018/19 by £2.57m and £4.63m respectively.

In terms of the national picture, taking into the account defined national deprivation factors, City of Lincoln and North Kesteven are performed above their expected levels of collection – by +2.1% and +0.3%, respectively. When ranked according to deprivation, City of Lincoln ranked 36<sup>th</sup> and North Kesteven 60<sup>th</sup> – both upper quartile. Taking out deprivation factors, compared to the other local authorities who have 2019/20 in-year collection data available (317 local authorities in total), City of Lincoln stood at 210<sup>th</sup> highest, - for North Kesteven only 8 local authorities achieved a higher level of in-year collection.

- 4.4 Up to the end of July 2020, in-year collection for Lincoln and North Kesteven is down by 1.30% and 1.11% respectively. Due to the financial impacts of Covid-19 on residents' incomes, officers have been allowing deferrals of payments in relevant circumstances, although this means that these deferred monies will still need to be collected in the coming months. Also, considering payments that have not been made (i.e. aside from deferral requests allowed), these reduced levels of collection are not unexpected. Also, net collectable debit for 2020/21 (compared to 2019/20) has increased by £963k for Lincoln and £2.8m for North Kesteven.

- 4.5 As a reflection of economic impacts on Covid-19 on residents' incomes, Council Tax Support caseloads have increased in recent months, as shown in the table below:

	City of Lincoln	North Kesteven
<b>July 2020</b>	9,021	5,874
<b>June 2020</b>	8,991	5,834
<b>May 2020</b>	9,039	5,866
<b>April 2020</b>	8,807	5,711
<b>February 2020</b>	8,491	5,539
<b>December 2019</b>	8,466	5,548
<b>September 2019</b>	8,522	5,564
<b>June 2019</b>	8,235	5,570

- 4.6 **Business Rates**

- 4.7 As with Council Tax, positive Business Rates in-year collection has been achieved for

2019/20, the table below showing how performance has progressed since the shared service formed in June 2011.

Financial Year	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
City of Lincoln	99.46%	99.81%	98.87%	99.43%	99.78%	99.46%	99.31%	99.08%	99.20%
North Kesteven	99.43%	99.42%	99.89%	99.09%	99.46%	99.78%	99.53%	99.93%	99.70%
West Lindsey	98.88%	98.63%	98.53%	97.34%	99.44%	99.17%	99.12%	99.13%	98.90%

4.8 Compared to 2018/19. Business Rates in-year collection levels, are as follows:

- City of Lincoln decreased by 0.35%;
- North Kesteven decreased by 0.01%;
- West Lindsey increased by 0.25%.

For 2019/20, it should be noted that the total net collectable debit increased from 2018/19, by £90k for City of Lincoln, £1.2m for North Kesteven and £363k for West Lindsey.

In terms of the national position, out of the 317 local authorities with 2019/20 in-year collection data currently available, City of Lincoln came 15<sup>th</sup> highest, North Kesteven 17<sup>th</sup>, and West Lindsey 74<sup>th</sup>.

4.9 Up to the end of July 2020 (compared to the end of July 2019), in-year collection for Lincoln and North Kesteven is up by 8.50% and 2.61% respectively. However, these figures are somewhat 'skewed' by the new reliefs available this year in light of the new measures announced as part of Covid-19. For Lincoln there is still £19.4m to be collected for 2019/20 – as at the end of July 2019, £9.9m of this figure has been collected. For North Kesteven, there is still £20.3m to be collected for 2019/20 – as at the end of July 2019, £10.4m of this figure has been collected. West Lindsey in-year collection is down by 1.00% at the end of July 2020 - again, net liability is greatly reduced to reliefs applied – out of the net £11.7m, £4.9m has been collected so far.

#### 4.10 Outstanding Revenues Customers

4.11 The number of outstanding Revenues Customers at end of quarter 4 2019/20 showed an overall 17.6% decrease compared to the same point in 2018/19 from the last two financial years. 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 764 properties to administer (split Lincoln 150, North Kesteven 614), - as well as staffing resources on the Council Tax Team being reduced at points throughout the year due to unforeseen circumstances – which have now been resolved.

31 <sup>st</sup> March	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>City of Lincoln</b>	371	437	121	296	448	1,025	683	939	1,713
<b>North Kesteven</b>	155	201	95	223	266	356	545	465	577

4.12 As at the end of July 2020, outstanding Revenues stood at a total of 468 (split Lincoln 360, North Kesteven 108). This is considerably lower than as at the end of July 2019 (total 1,205 – split Lincoln 779, North Kesteven 426). In 2020/21 the number of changes of address was significantly reduced, due to Covid-19, however move numbers have started to increase again which will result in more incoming work for the team.

#### 4.13 Housing Benefit Overpayments

4.14 The table below shows in-period collection rates over the last eight 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	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
<b>City of Lincoln</b>	105.52%	100.38%	81.81%	76.38%	75.22%	68.60%	72.98%	89.14%
<b>North Kesteven</b>	106.12%	107.45%	88.31%	70.16%	77.76%	64.61%	85.40%	92.85%

4.15 Outstanding Housing Benefit overpayments debt also continues to decrease, from 31<sup>st</sup> March 2019 to 31<sup>st</sup> March 2020 City of Lincoln and North Kesteven outstanding monies have reduced by £400,013 (to £3,573,112) and by £112,427 (to £1,530,967), respectively.

4.16 This is another extremely positive year of overpayments collection, following on from the piece of review work undertaken with the Department for Work and Pensions (DWP) two years ago, which is being maintained through continuing improved processes and dedicated resources and knowledge in this area.

4.17 As at the end of July 2020, in-year collection rates and outstanding monies are as shown in the table below:

2020/21 – to end July 2020	City of Lincoln	North Kesteven
In-year collection rate	154.96%	124.11%
Outstanding Housing Benefit overpayments debt	£2,453,706	£1,505,805

- 4.18 A verbal update on the significant decrease in outstanding debt for City of Lincoln will be provided to this Committee, on 10<sup>th</sup> September.
- 4.19 This has been another extremely positive year of overpayments collection, following on from the piece of review work undertaken with the Department for Work and Pensions (DWP) two years ago, which is being maintained through continuing improved processes and dedicated resources and knowledge in this area. Significant progress has been made as until recent years, debt was continuing to rise and in-period collection was not at the desired level. Officers have reviewed processes and as a result numbers of overpayments been raised has reduced, writing-out of debts is more proactive and timely, as well as progressing recovery of monies being more prompt and focussed.

## 5. Benefits Performance

- 5.1 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:

31 <sup>st</sup> March	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>City of Lincoln</b>	1,510	897	696	555	1,064	1,267	2,396	2,004	2,401
<b>North Kesteven</b>	456	502	511	500	714	1,036	978	1,206	2,648

As at the end of July 2020, there are 1,847 Benefits customers outstanding (split Lincoln 1,540, North Kesteven 307). 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. The number of Universal Credit (UC) documents requiring processing continues to have a real impact, - 56% and 43% of outstanding documents are UC-related for Lincoln and North Kesteven, respectively.

- 5.2 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
<b>New Claims</b>	Lincoln	20.60	25.82	24.29	29.44	25.45	26.14	28.33	23.60
	North Kesteven	19.60	27.49	18.81	15.98	12.76	12.05	12.66	15.94
<b>Changes of Circumstance</b>	Lincoln	3.17	4.12	4.00	4.49	5.40	5.07	6.97	8.10
	North Kesteven	2.83	2.98	2.82	3.06	2.84	2.91	2.92	10.98

Through process changes and allocating appropriate assessment resources, significant improvements have been made across the board. These improvements are being sustained, as shown below:

2020/21 – to end July 2020	City of Lincoln	North Kesteven
New Claims	16.16 days <i>(End July 2019 26.35 days)</i>	16.15 days <i>(End July 2019 23.88 days)</i>
Changes of Circumstance	4.46 days <i>(End July 2019 5.09 days)</i>	3.11 days <i>(End July 2019 5.09 days)</i>

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	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
City of Lincoln	95%	86%	92%	91%	83%	79%	77%	72%	65%
North Kesteven	98%	96%	95%	95%	97%	98%	98%	100%	99%

In 2019/20, for Lincoln 589 claims were checked with 560 being right first time, the equivalent figures for North Kesteven being 542 checked with 529 right first time. These levels of accuracy are pleasing, and show real overall improvement.

5.4 These improvements have continued into 2020/21, - as at the end of July 2020 City of Lincoln’s ‘right first time’ of cases checked is 92% (91 out of 99) and for North Kesteven 96% (200/208). These checks are in addition to those carried out through the checks required to be carried out under the requirements of the annual Housing Benefit Subsidy claims.

## 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 across the shared service districts;
- Helped City of Lincoln customers to secure £1.4m in additional benefits on an annual basis;
- Helped North Kesteven customers to secure £894k in additional benefits on an annual basis;
- Helped City of Lincoln customers to secure a total of £210k in lump sum benefit payments;
- Helped North Kesteven customers to secure a total of £202k in lump sum benefit payments;
- Provided money advice to help City of Lincoln customers manage debt totalling £492k.

- Provided money advice to help North Kesteven customers manage debt totalling £281k.

6.2 In the first quarter of 2020/21, the team has achieved the following:

<b>Quarter 1 2020/21</b>	<b>City of Lincoln</b>	<b>North Kesteven</b>
Advice provided enabling weekly value of additional benefits	£5,384	£3,264
Advice provided enabling lump sum award of additional benefits	£84,498	£19,431
No. of customers to whom help provided	778	147
No. money advice referrals	17	5

### **Strategic Priorities**

7.1 Both City of Lincoln and North Kesteven have a number of strategic priorities. Three that have an impact on the Revenues and Benefits Service are:-

- Lincoln: “Let’s reduce all kinds of inequality”.
- North Kesteven: “Our Communities”, “Our Economy”.

7.2 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.

### **8. Organisational Impacts**

8.1 Finance:

There are no direct financial implications arising from this report.

8.2 Legal Implications including Procurement Rules:

There are no direct Legal or Procurement implications arising 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. Recommendations**

10.1 Note the performance information as set out in this report.

10.2 Note that a performance update will be presented at the next meeting of this committee on 26<sup>th</sup> November 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 – Annual Outturn 2019/20, and 2020/21 to end July 2020

**List of Background Papers:**

None

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