



REVENUES & BENEFITS PERFORMANCE UPDATE

**REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE
DIRECTION)**

WARDS AFFECTED: ALL WARDS

1. PURPOSE OF REPORT

- 1.1 To provide the committee with an update on the action plans developed within revenues and benefits following the 2014/2015 internal audit inspection and provide an updated performance summary.

2. RECOMMENDATION

- 2.1 That members note the contents of this report.

3. BACKGROUND TO THE REPORT

- 3.1 C W Audit Services conducted a review of Business Rates, Council Tax and Benefits. Whilst significant assurance was given on the internal controls in place for all three service areas a number of recommendations were made and this report confirms the actions taken.

It is also important to note that throughout the review the risk ranking was medium to low which meant that the system was not at risk from meeting its key objectives.

A number of recommendations related to both council tax and business rates and for transparency they are included under both headings

3.11 Council Tax

3.12 Quality Checks

We will be introducing a quality checking regime focussing primarily on new staff and those who have recently changed roles.

3.13 Discounts & Exemptions

We are currently in the process of developing a timetable which will ensure that all discounts and exemptions are reviewed in a timely manner.

3.14 Inspections

As part of the structural review we now have a team of generic visiting officers who will be responsible for both inspections and benefit support. Later in the year we will be looking to implement software that will automate the inspection process

3.15 Write-offs

A timetable has been put in place which ensures non-recoverable debts are identified and written-off promptly

3.2 Business Rates

3.21 Quality Checks

We will be introducing a quality checking regime focussing primarily on new staff and those who have recently changed roles.

3.2.2 System Parameters

Whilst there was no evidence that the system parameters were entered incorrectly a procedure is now in place which evidences that parameter updates are independently checked and verified by one of the Partnership Managers

3.2.3 Awarding Discretionary Charitable Relief

All approvals are authorised by the partnership manager.

3.2.4 Inspections

As part of the structural review we now have a team of generic visiting officers who will be responsible for both inspections and benefit support. Later in the year we will be looking to implement software that will automate the inspection process

All inspections are now recorded on the inspection screen of the business rates system.

3.2.5 Write-offs

A timetable has been put in place which ensures non-recoverable debts are identified and written-off promptly.

3.3 Benefits

3.3.1 New Claims

All assessors have been reminded of the need to ensure that all new claims contain the necessary information and the identity of the claimant has been verified in accordance with our verification policy.

3.3.2 Backdated Benefit Claims

Guidance notes have been updated and distributed to all assessment staff reminding them of the steps to follow when backdating a claim which includes

- Classification (is it a backdate or a reconsideration)
- Evidence to be provided in support of the backdate request
- Information to be entered onto the claim database

3.3.3 System Parameters

In addition to the parameter updates being independently checked and verified they are now clearly labelled with the council name

3.3.4 Quality Checks

Changes to the structure will mean that the assessment and quality checking team have an overarching manager and therefore better able to respond to quality and training issues.

3.4 2013/2014 Subsidy Audit

It is important to note that the majority of errors highlighted in the qualification letter were small in value and did not have an impact on the final claim.

However it was nevertheless crucial that lessons were learned and processes and procedures changed, where appropriate, to reduce the incidence of the same errors reoccurring in subsequent audits.

A focus group has been set up comprising the quality assurance team who carry out the work checks, our training officer, senior officers and benefit team leaders. This group now meets regularly, in order to address the areas of concern raised by the subsidy audit. From these meetings we are able to update our guidance and procedures.

Refresher training is being arranged for all assessment staff. We are also providing more specific training to those members of staff who have not met the required standard for quality.

To date we have concentrated on the following areas highlighted by the subsidy audit:

Self employed

The issues mainly centred on staff not including expenses which were allowable. The training officer has now created a template including guidance which is used for each case.

Earnings

This can be a complex area because of the frequency that earnings can change and it's not always necessary to re-assess earnings if they only change slightly as there will be no impact when taken as an average. A new procedure note is being developed and all assessors have been reminded of the requirement to detail on the claim how average earnings have been calculated so the auditors can make a judgement as the reasonableness of the calculation.

Non dependant deductions

Refresher training is to be provided to all assessment staff

Complex Cases

The subsidy audit identified specific claim types that by their very nature often require complex calculations, it has been agreed that because of the rarity of these cases the calculation will be conducted by senior benefit officers only.

3.5 Performance Data

The Leicestershire Revenues & Benefits Partnership was formed in 2011 to provide a shared service for the processing of Council Tax, Business Rates and Housing and Council Tax Support for Harborough District Council, Hinckley and Bosworth Borough Council and North West Leicestershire District Council.

Performance reports are presented to the Management Board on a monthly basis and as requested by the committee performance data for HBBC has been provided below for a range of financial years including data prior to the formation of the partnership..

Current collection rates have been impacted by a number of factors including external economic pressures and the move from council tax benefit to locally determined council tax reductions; in 2013/2014 councils in Leicestershire estimated a 0.5% reduction in their council tax collection rates because of the abolition of council tax benefit.

In addition both council tax and business rate payers now have the right to pay over 12 months which has meant that our in year collection profile has had to change to allow for the fact that a proportion of our customers now pay through to March instead of finishing in January. February and March historically has been a time when recovery action could be concentrated to maximise collection by the end of the financial year, however this isn't now possible as some instalments are still due in February and March.

Additionally, HBBC changed the CTLS scheme increasing from 8.5% to 12%. meaning that working age Council Tax payers on low incomes would have more to pay.

The difficulties in collecting business rates also remain, particularly in relation to unoccupied properties and research indicates that many authorities are anticipating a fall in their collection rates for both council tax and business rates.

Indicator	2007/08	2008/09	2010/11	2011/12	2012/13	2013/14	2014/15 (@ 28/2/15)
Council Tax collection rate (%)	98.75	98.53	98.61	98.44	97.93	98.00	96.53 Target 98.1
Combined performance (NI181) days	N/A	N/A	9.6	8.10	10.42	10.9	8.28 Target 11
Fraud prosecution & sanctions	19	29	37	42	36	23	29 Target 14
NNDR collection rate (%)	99.41	98.0	98.47	97.64	96.93	98.04	96.13 Target 98.3
Housing Benefit overpayments collection rate (days)	N/A	N/A	52.33	63.73	47.18	40.78	36.0 Target 45.0
Processing of new claims (days)	21.5	16.60	15.0	15.30	21.43	17.79	15.63 Target 19
Processing Change of Circumstances (Days)	5.6	7.5	5.5	7.20	9.23	8.45	6.23 Target 9

4. FINANCIAL IMPLICATIONS [KP]

4.1 The total cost of the Revenues and Benefits Partnership is split between the three partners on the basis of an agreed percentage. The total cost of the service for 2014/2015 and 2015/2016 by partner is detailed below.

	Total (£)	HBBC (£)	HDC (£)	NWLDC (£)
2015/16 Budgeted contribution	3,621,140	1,362,180	1,040,710	1,218,250
2014/15 Contribution	3,589,240	1,415,880	1,014,350	1,159,010
Difference – Increase/(Decrease)	31,900	(53,700)	26,360	59,240

4.2 As outlined in the table above, the Council's contribution to the Partnership is due to decrease by £53,700 in 2015/2016 following implementation of a number of efficiency savings recommended by a review conducted by the IRRV. The Council is able to ensure value for money from the service through the economies of scale that are achieved by the Partnership arrangement. In addition, the Council receives the following income streams from the Partnership:

- Rental income from the use of space in the Atkins building

- A contribution towards the salaries of Hinckley officers who are involved in the administration of the organisation (e.g. legal and finance)
- A proportion of support service recharges

5. LEGAL IMPLICATIONS [MR]

5.1 Every local authority is required to make arrangements for the proper administration of its financial affairs and it can be seen from the report that steps are being taken to improve the operation of the revenue and benefits service

5.2 Members will no doubt wish to receive a future assessment of the results of the measures being put in place

6. CORPORATE PLAN IMPLICATIONS

6.1 All budgets, performance indicators and risks are mapped against the appropriate corporate plan implication.

7. CONSULTATION

7.1 No direct consultation

8. RISK IMPLICATIONS

8.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

8.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

8.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
None		

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

9.1 Covered as appropriate in the body of the report

10. CORPORATE IMPLICATIONS

10.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Procurement implications
- Human Resources implications
- Planning implications
- Data Protection implications
- Voluntary Sector

Background papers: None

Contact Officer: Storme Coop Ext 5706

Executive Member: Cllr Keith Lynch