

# North Lanarkshire Council Report

## Finance & Resources Committee

approval  noting

Ref PH/PD

Date 30 January 2019

## Payment of Local Taxation & Benefit Update

**From** Paul Hughes, Head of Financial Solutions

**Email** [Hughesp@northlan.gov.uk](mailto:Hughesp@northlan.gov.uk)

**Telephone** 01698 302275

---

### Executive Summary

This report provides an update on the payment performance for Council Tax and Non Domestic Rates and the administration of welfare benefits and Council Tax Reduction Scheme as at 31 December 2018.

- Current year collection of Council Tax at end of December was 82.0% down 0.2% as at the same point in the previous year, 82.2%. The service is actively exploring opportunities to further improve on this position.
- Non Domestic Rates collection for 2018/19 is 0.2% higher in comparison with last year.
- Comparing 2018/19 to 2017/18 at the end of December performance for speed of processing benefit applications and changes have taken longer due to the initial impact of Universal Credit. This has subsequently returned to envisaged levels now that this initial impact has receded.
- The Department for Works and Pensions recently announced a slowdown in the timetable for the migration of legacy benefits to Universal credit.
- The level of expenditure in respect of the Council Tax Reduction Scheme is higher than envisaged but can be contained within the overall Council Tax product for 2018/19.
- SWF spend is within budget for 2018/19.

---

### Recommendations

Members are asked to note the report.

---

### Supporting Documents

Council business  
plan to 2020

---

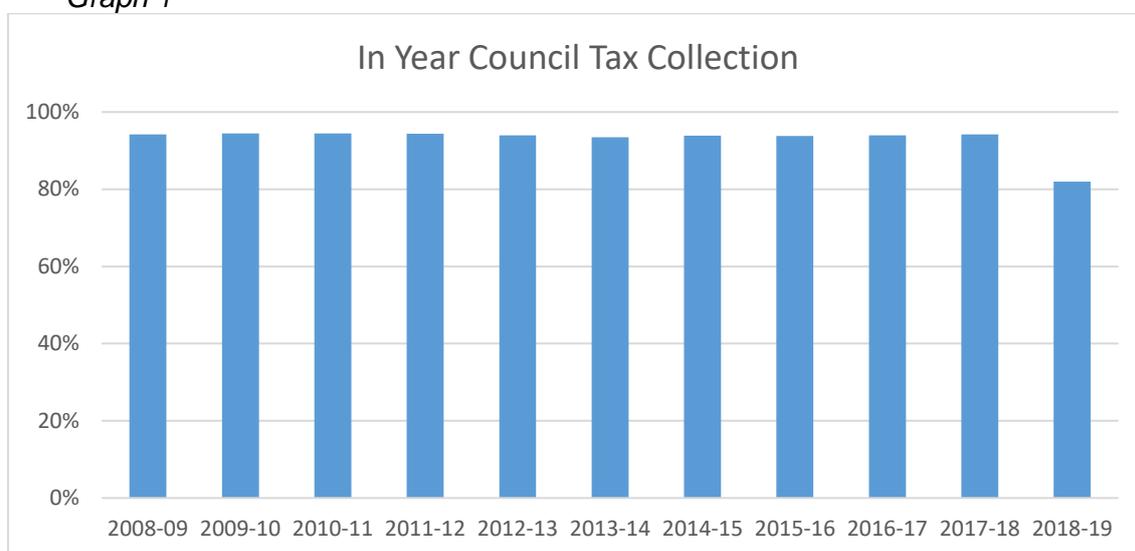
## 1. Background

- 1.1 The report compares collection performance for Council Tax and Non Domestic Rates to the previous year, speed of benefit processing for new applications and changes and details Discretionary Housing Payment spend for the year and provides an update on Universal Support.

## 2. Council Tax

- 2.1 Graph 1 below shows the cash amount collected within the initial billing year, in respect of Council Tax for the last ten years. As at 31 December 2018 the collection rate was 82.0% of the net Council Tax payable. This is 0.2% lower than last year's collection level at a comparable point within the financial year. Whilst collection is slightly down in comparison with previous years the service is actively exploring opportunities to further improve on this position.

Graph 1



- 2.2 This is a statutory PI however it does not reflect the overall collection rate of Council Tax which has a greater bearing on the Councils finances.
- 2.3 The Council when setting its revenue budget and ultimately the level of income to be raised from Council Tax determines a level of collection which will be ultimately met. After a period of increasing collection rates this has stabilised at a composite level of 97.0% up until the introduction of the Council Tax Reduction Scheme (CTRS). Since 2015/16 it has been set at 96.3% for the period 2015/16 to 2017/18 and 95.44% for 2018/19. This reduction is due to the impact of both the CTRS and the ending of the council tax freeze which means that more people have effectively been required to contribute to paying all or an increased element of the council tax bill.
- 2.4 Over the period 1993/94 to 2008/09 the total level of council tax received by the Council has exceeded this 97% level ranging from 97.05% to 98.37%. From 2009/10 until 2017/18 the value collected ranges from 94.83% to 96.79%.
- 2.5 Taking account of both the 2018/19 cash collection to date and the progress towards the ultimate budgeted council tax income levels it would appear that there may be an opportunity to reflect on a higher composite collection rate moving forward. Given the current number of households and level of council tax a 0.25% improvement in the ultimate Council Tax yield would raise some £0.355m.

### 3. Non Domestic Rates

- 3.1 As at 31 December 2018, the collection rate for Non Domestic Rates was 80.3%. This was an increase of 0.2% as at the same point last year. The collection level is comparable with last year.

### 4. Benefits Update

- 4.1 The data below highlights the Statutory Performance Indicator which measures both the speed of Processing of both new claimants and changes in circumstances. The average figure is based on the latest information published by DWP.

April 2018 – December 2018		Table	
Process	YTD 2018/19	YTD 2017/18	Scottish Average YTD to Q2 2018/19
New Claims	25	18	22
Change of Circumstances	11	7	7

- 4.2 The Year to date Speed of processing for both new applications and change of circumstances for April to December appears to be taking longer when compared to year to date point last year.
- 4.3 This has been caused, in the main, by the move to Universal Credit (UC) Full Service by Job Centres in North Lanarkshire. This change contributed to a higher level of changes being notified to the Council with an increase in the length of time to verify and complete the processing of the change. This was apparent through the first quarter of the year.
- 4.4 The roll out of UC has impacted the number of new claims being received for Housing Benefit. These have reduced from 6,146 as December 2017 to 2,400 in 2018/19. CTRS claims remain in line with last year 7,493 to 7,097. However overall the workload has increased mainly in relation to the administration of UC change of circumstances affecting CTRS claims. As at 31 December 2017 137,403 items of work had been received. At the same point this year this has increased to 137,819 this includes 39,000 UC ATLAS changes which can take longer to process. Going forward the service will work with our software supplier to increase and improve the automation of these changes.
- 4.5 Since then action has been taken to improve processes within the Revenues Team to target faster processing. The service is currently automating a higher percentage of claim notifications received from DWP to improve the current position. Whilst the YTD performance to December was 25 days the performance in December was 18 days. Similarly for change of circumstances processing times have remained consistent at 7 days for the month of December. The action taken has brought processing times back in line with performance rates for last year at 18 days and 7 days for December 2018.

### 5. Universal Credit Update

- 5.1 Job Centres in the North Lanarkshire Area moved to UC Full Service on 4 April 2018. As at January 2019 all DWP Job Centres have migrated to Universal Credit Full Service.
- 5.2 DWP had planned to commence the migration of all legacy benefit in July 2019 completing in 2023. The Secretary of State recently announced that DWP will initially curtail the migration to a pilot of 10,000 cases to learn lessons to assist with

smooth transition for all claimants. Although this decision is welcomed it may place doubt on the ability of DWP to effect the full migration by their target deadline of 2023.

- 5.3 The Secretary of State, in line with a previous commitment, laid regulations in Parliament to prevent claimants in receipt of Severe Disability Premium applying for Universal Credit. This will be financially beneficial for those in receipt of the premium.
- 5.4 Another change recently enacted affects entitlement to claim Pension Credit. Previously once one partner in a couple had reached pension age they could effectively chose whether to claim Pension Credit (PC) or UC. In most cases it was financially beneficial to claim PC. The recent change means that both partners in a couple must now have both reached pension age before PC can be applied for.

## **6. Council Tax Reduction Scheme**

- 6.1 From 1 April 2013 Council Tax Benefit was replaced with the Council Tax Reduction Scheme. As at 31 December 2018 a total of £22.686m had been awarded which is broadly comparable with the level of award experienced at this point in the previous financial year. Given the changing nature between the CTRS and the amount of the Council Tax product billed to individual households as previously commented upon in section 2.3 earlier the Council set a notional budget of £22.300m in respect of awards for 2018/19. Although awards are higher than originally envisaged the overall impact on the 2018/19 Council Tax product which also includes other factors such as household numbers and percentage collection is highlighting additional overall income of £0.213m for the year to date.

## **7. Discretionary Housing Payments**

- 7.1 From 1 April 2017 funding for DHP has been devolved to Scottish Government. This funding is made up from both the Scottish Government's commitment to fully fund the implications of the Bedroom Tax and an additional sum available for other reasons such as the Benefit cap and the restrictions on Local Housing Allowance rates.
- 7.2 At 31 December 2018 the total of both that paid to date and those committed over the remainder of the financial year in respect of Bedroom Tax was £3.848m.
- 7.3 In addition the Council also receives £0.525m in respect of non-bedroom tax related issues. As at 30 December 2018, £0.332m has been paid or committed from the fund.

## **8. Scottish Welfare Fund**

- 8.1 The Council has operated the full roll-out of the Scottish Governments Scottish Welfare Fund since 1 April 2016.
- 8.2 As at 31 December 2018 8,616 awards were made. 6,770 relate to Crisis Grants and 1,846 relate to Community Care Grants. Those applications not proceeding to an award are 3,667 in respect of Crisis Grants and 1,095 in respect of Community Care Grants. Crisis spending is reflective of need within the local authority area. The priority setting of the fund has been lowered from 'high' (most compelling) to 'high'.
- 8.3 The level of funding has been reducing to reflect the agreed distribution formulae with a reduction in core funding from £2.775m in 2017/18 to £2.616m in 2018/19 and in administration grant from £0.402m in 2017/18 to £0.387m.

8.4 To date we have spent £1.647m (or 62.96%) of the annual award budget of £2.616m.

---

**9. Equality and Diversity**

**9.1 Fairer Scotland**

No Impact.

**9.2 Equality Impact Assessment**

Not required.

---

**10. Implications**

**10.1 Financial Impact**

No impact.

**10.2 HR/Policy/Legislative Impact**

No impact.

**10.3 Environmental Impact**

No impact.

**10.4 Risk Impact**

No impact.

---

**11. Measures of success**

11.1 Continuous improvement year on year in processing times and collection rate.

---



**Paul Hughes**  
**Head of Financial Solutions**