

North Lanarkshire Council Report

Finance and Resources Committee

approval noting

Ref PH/PD

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Payment of Local Taxation & Benefit Update

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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 March 2019.

- Current year collection of Council Tax at end of March was 94.1% down 0.1% as at the same point in the previous year, 94.2%. The service is actively exploring opportunities to further improve on current year collection rates.
- 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 March 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.
- 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 was within budget for 2018/19.

Recommendations

Members are asked to note the report.

Supporting Documents

Council business
plan to 2020

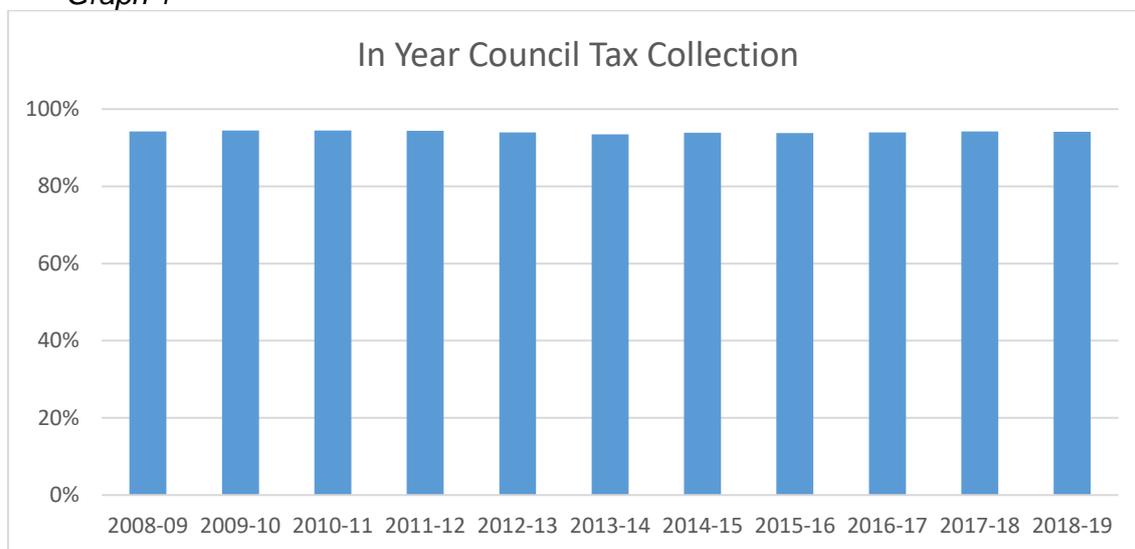
1. Background

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 March 2019 the collection rate was 94.1% of the net Council Tax payable. This is 0.1% 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 will continue to explore 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 97.19% to 98.42%. From 2009/10 until 2017/18 the value collected ranges from 94.92% to 96.95%.

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 0.5%

improvement in the ultimate Council Tax yield would raise some £0.446m.

3. Non Domestic Rates

- 3.1 As at 31 March 2019, the collection rate for Non Domestic Rates was 96.3%. This was an increase of 0.2% as at the same point last year an improvement on 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 – March 2019		Table	
Process	2018/19	2017/18	Scottish Average YTD to Q2 2018/19
New Claims	25	20	22
Change of Circumstances	7	6	7

- 4.2 The Year to date Speed of processing for both new applications and change of circumstances for April to March 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 8,069 in 2017/18 to 2,911 in 2018/19. CTRS claims have also reduced over the same period from 9,705 to 8,069. However, although the Housing Benefit caseload is reducing overall the workload has remained consistent due to the administration of UC change of circumstances affecting CTRS claims. As at 31 March 2019 190,376 items of work had been received. This included 46,243 UC ATLAS (change notifications from DWP) 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 Whilst the YTD performance to March was 25 days the performance in the last quarter January to March was 20 days. Similarly for change of circumstances processing times have remained consistent at 6 days for the month of March. The action taken after the first quarter of 2018/19 has brought processing times back in line with performance rates for 2017/18 at 20 days and 6 days.

5. Council Tax Reduction Scheme

- 5.1 From 1 April 2013 Council Tax Benefit was replaced with the Council Tax Reduction Scheme. As at 31 March 2019 a total of £22.679m 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 £0.446m for the year to date.

6. Discretionary Housing Payments

- 6.1 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.
- 6.2 At 31 March 2019 the total of both that paid to date and those committed over the remainder of the financial year in respect of Bedroom Tax was £3.959m.
- 6.3 In addition the Council also receives £0.525m in respect of non-bedroom tax related issues. As at 31 March 2019, £0.536m has been paid or committed from the fund.

7. Scottish Welfare Fund

- 7.1 The Council has operated the full roll-out of the Scottish Governments Scottish Welfare Fund since 1 April 2016.
- 7.2 As at 31 March 2019 13,295 awards were made. 10,360 relate to Crisis Grants and 2,935 relate to Community Care Grants. Those applications not proceeding to an award are 4,903 in respect of Crisis Grants and 1,427 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'.
- 7.3 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.
- 7.4 As at 31 March 2019 we have spent £2.585m (or 99%) of the annual award budget of £2.616m.

8. Equality and Diversity

- 8.1 **Fairer Scotland**
No Impact.
- 8.2 **Equality Impact Assessment**
Not required.

9. Implications

- 9.1 **Financial Impact**
No impact.
- 9.2 **HR/Policy/Legislative Impact**
No impact.
- 9.3 **Environmental Impact**
No impact.

9.4 **Risk Impact**

No impact.

10. **Measures of success**

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



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