

North Lanarkshire Council Report

Finance and Resources Committee

approval noting

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Payment of Local Taxation & Benefit Update

From Elaine Kemp, Head of Financial Solutions

Email kempe@northlan.gov.uk

Telephone 01698 302408

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 January 2020.

- Current year collection of Council Tax at end of January was 90.1% up 0.1% at the same point last year.
- Non Domestic Rates collection as at 31 January was 87.5%, which is down 0.8% from the same position last year. However this is attributed to a large property being entered on the roll during January. The property will qualify for rates relief. Following the application of the relief the collection performance will be in line with the level last year.
- Comparing 2019/20 to 2018/19 at the end of January performance for speed of processing benefit applications and changes has significantly improved in line with expectations.
- SWF spend at current levels will exceed the Scottish Government allocation. The priority level has been assessed and has now moved to high most compelling to ensure spend is in line with budget at year end.

Recommendations

Members are asked to note the report.

The Plan for North Lanarkshire

Priority Improve North Lanarkshire's resource base

Ambition statement (21) Continue to identify and access opportunities to leverage additional resources to support our ambitions

1. Background

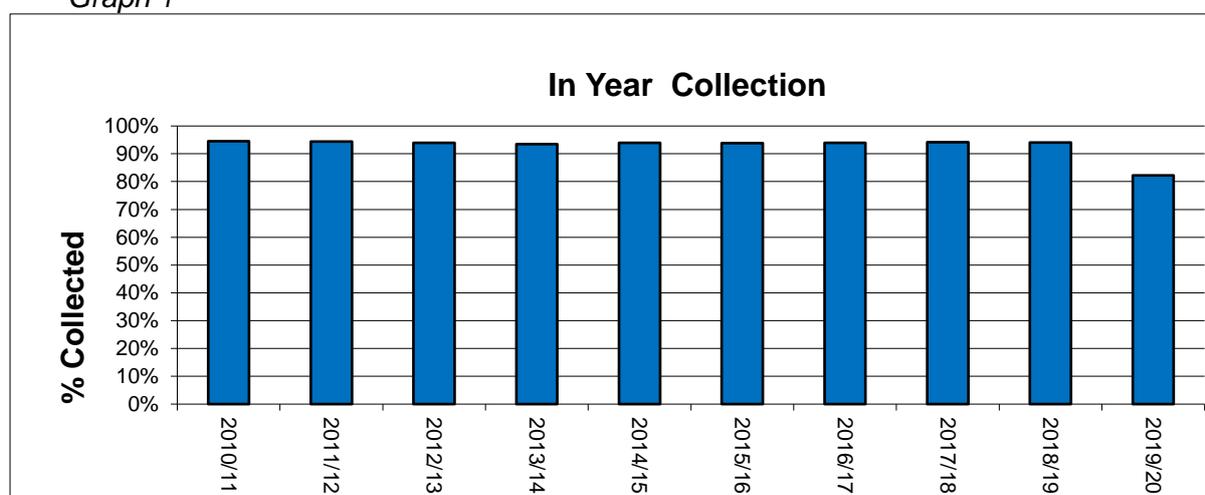
- 1.1 The report compares collection performance for Council Tax and Non Domestic Rates to the previous year, speed of benefit processing for new applications and changes and details Discretionary Housing Payment and Scottish Welfare Fund spend for the year.

2. Report

2.1 Council Tax

- 2.1.1 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 January 2020 the collection rate was 90.1% of the net Council Tax payable. This is up by 0.1% from last year's collection level at a comparable point within the financial year.

Graph 1



- 2.1.2 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.
- 2.1.3 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%. For 2019/20 it has been set at 96.55%. 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.
- 2.1.4 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 97.20% to 98.43%. From 2009/10 until 2018/19 the value collected ranges from 94.46% to 96.98%.
- 2.1.5 At this stage in the financial year it is anticipated that there will be a break even position across the council tax product. This will be monitored and any change reported to Committee.

2.2 Non Domestic Rates

- 2.2.1 Non Domestic Rates collection as at 31 January 2020 was 87.5% down 0.8% at the same point last year. However this is due to a large property being added

to the roll. The property will attract rates relief and after the application on the relief the collection rate will be at the same level as 2018/19.

2.3 Benefits Update

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

April 2019 – January 2020		Table	
Process	2019/20	2018/19	Scottish Quarter 2 Average 2019/20
New Claims	17	26	16
Change of Circumstances	8	11	6

2.3.2 The Year to date speed of processing for both new applications and change of circumstances for April to October has improved significantly against last year, is in line with expectations.

2.3.3 Processing performance for quarter 1 last year was impacted 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. Improved automation of changes has contributed to improving the overall speed of processing statistics.

2.3.4 The impact of the roll out of UC has reduced new claims being received for Housing Benefit, a reduction of 1,300 from the 2,417 claims processed at this point last year. CTRS claims received year to date have also reduced from 7,097 to 5,257. However, the Service is required to maintain current claims in payment. UC has adversely impacted this due to the increase in the number of change notifications received from DWP for CTRS claims. From 2018/19 to 2019/20 changes notified by DWP for UC claimants has risen from 40,192 to 59,728. This will continue to increase as the Universal Credit caseload continues to grow.

2.4 Council Tax Reduction Scheme

2.4.1 From 1 April 2013 Council Tax Benefit was replaced with the Council Tax Reduction Scheme. As at 31 January 2020 a total of £23.011m had been awarded. 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 2.1 earlier the Council set a notional budget of £22.300m in respect of awards for 2019/20. Although awards are higher than this the overall impact on the 2019/20 Council Tax product which also includes other factors such as household numbers and percentage collection is, showing a breakeven position for the year to date.

2.5 Discretionary Housing Payments

2.5.1 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.

2.5.2 At 31 January 2020 the total of both that paid to date and those committed over the remainder of the financial year in respect of Bedroom Tax was £4.441m.

2.5.3 In addition the Council also receives £0.655m in respect of non-bedroom tax related issues. As at 31 January 2020, £0.625m has been paid or committed from the fund.

2.6 Scottish Welfare Fund

2.6.1 The Council has operated the full roll-out of the Scottish Governments Scottish Welfare Fund since 1 April 2016.

2.6.2 As at 31 January 2020 SWF have made 11,493 awards, 9,276 of which relate to Crisis Grants and 2,217 relate to Community Care Grants. Those applications not proceeding to an award are 3,581 in respect of Crisis Grants and 894 in respect of Community Care Grants.

2.6.3 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. This level of funding remains the same for 2019/20.

2.6.4 As at 31st January 2020 we have spent £2.222m (or 85%) of the annual award budget of £2.616m.

2.6.5 The Scotland Excel Framework and North Lanarkshire Industries introduced Price increases of around 7% on average from November 2019 for the main floor coverings, and furniture and white goods that we procure and this has added some additional in-year pressure to the budget.

As a result of the ongoing demand for assistance and the additional pressure on the budget from rising prices, the fund's priority setting was raised to "High (most compelling)" for Community Care Grants from 1st December 2019 until the end of the financial year.

2.6.6 Scottish Welfare Fund statistics published by Scottish Government, for the period April 2019 – June 2019 (latest available) show all Crisis Grants were processed within the 24 hour target set by the Scottish Government. Community Care Grant processing in comparison with the Scottish Average for quarter one of 2019/20 shows 99% of applications were dealt with within Scottish Government target against a Scottish average of 78%.

3. Equality and Diversity

3.1 Fairer Scotland Duty

No impact.

3.2 Equality Impact Assessment

Not Required.

4. Implications

4.1 Financial Impact

No impact

4.2 HR/Policy/Legislative Impact

No impact.

4.3 Environmental Impact

No impact.

4.4 Risk Impact

No impac.t

5. Measures of success

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

6. Supporting documents

6.1 No documents.



Elaine Kemp
Head of Financial Solutions