

North Lanarkshire Council Report

Finance and Resources Committee

approval noting

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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 the Council Tax Reduction Scheme to the end of Financial Year 2019/20. Updates in relation to the position at April 2020 and COVID-19 support are also provided.

Key points to notes are as follows:

- As at 31 March 2020, 94.1% of Council Tax for 2019/20 had been collected. This is in line with the position for 2018/19.
- The proportion of Council Tax collected for in relation to 2020/21 at the end of April was down 3.7% compared to the proportion collected at the same point last year as direct consequence of the COVID-19 outbreak. .
- Non Domestic Rates collection as at 31 March 2020 was down 0.15% in comparison to from the same point in the previous year.
- At the end of March 2020, performance in relation to the speed of processing benefit applications and changes had significantly improved in comparison to the previous year, in line with expectations. However as at end of April, the average time taken to process new Housing Benefit applications had increased by one day to 18 days.
- As at 31st March, grants paid from Scottish Welfare Fund amounted to £2.608m (or 99.7%) of the annual award budget of £2.616m.

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

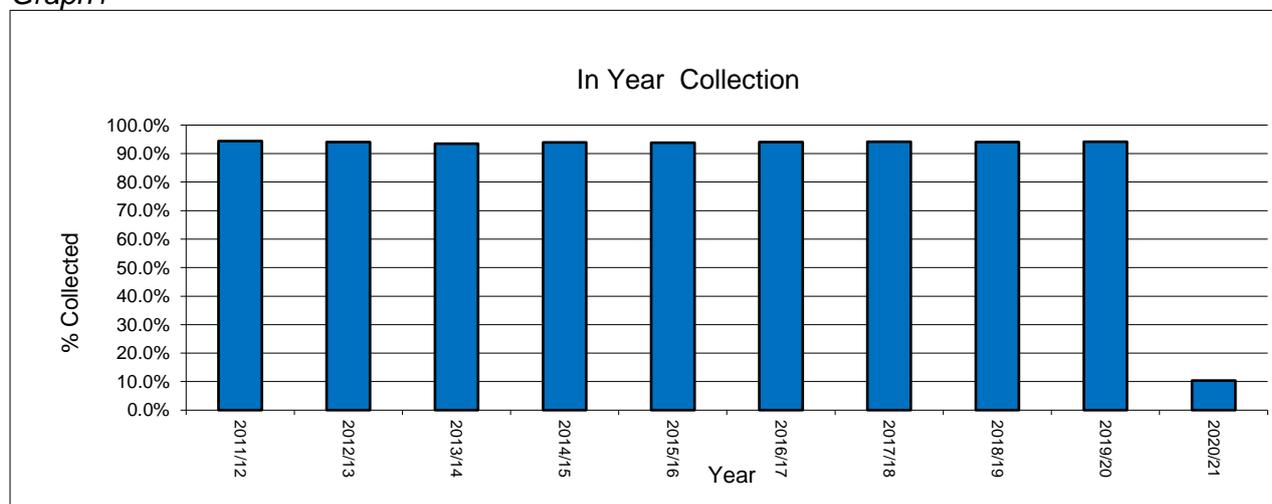
- 1.1 This report highlights key performance issues in relation to Council Tax and Non Domestic Rates, the speed of benefit processing for new applications and changes and details Discretionary Housing Payment and Scottish Welfare Fund spend for the year.

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. The year end position for 2019-20 was a collection rate of 94.1% which matched last year's performance.

Graph1



- 2.1.2 In year collection of Council Tax is a Statutory Performance Indicator. However, it does not reflect the overall collection rate of Council Tax which has a greater bearing on the Council's finances.
- 2.1.3 As at 30 April 2020, the proportion of Council Tax recorded as collected in relation to 2020/21 was down 3.7% compared to the proportion collected at the same point last year. However, due to the intricacies and complexities of the Council Tax billing system, it is difficult to present a true like for like comparison in terms of actual cash collected at this early stage of the financial year. The Service continues to analyse and review the available data and will provide updates as the financial year progresses. At present, in line with all Scottish Local Authorities, council tax recovery notices are suspended. The Service is considering a strategy to recommence recovery at the appropriate time including signposting those in financial difficulty to support services.
- 2.1.4 There has been a significant increase in the number of applications for Council Tax Reduction Scheme (CTRS) in April 2020 when compared to April 2019, increasing from 361 to 661 (83%).

2.2 Non Domestic Rates

- 2.2.1 Non Domestic Rates collection as at 31 March 2020 was 96.15%, a reduction of 0.15% on the same position last year.
- 2.2.2 At this stage of the financial year it has been difficult to assess collection data for NDR as the first instalment due date in relation to 2020/21 payments was only 7 May. Once that payment date has been analysed an update will be provided to the next Committee.
- 2.2.3 In March, Scottish Government announced a package of support measures for businesses in response to the COVID-19 emergency. In respect of Non Domestic Rates, a new relief was introduced giving 100% relief to all businesses operating in the retail, hospitality and leisure sectors. In addition 1.6% relief was applied to all business properties, effectively freezing the rate poundage at the previous year's level.
- 2.2.4 Two Business Support Grant schemes, the Small Business Grant Fund and the Retail, Hospitality and Leisure Grant Fund were also announced. Essentially these schemes provide businesses meeting the qualifying criteria with a grant of £10k and £25k respectively.
- 2.2.5 A second phase of the above was opened on 5 May 2020, widening the scheme to allow businesses with multiple properties the opportunity to receive additional grants of 75% of the grant awarded for the original qualifying properties.
- 2.2.6 As at 12 May 2020, the Council has made 2,582 awards totalling £27.994 in relation to the above Business Support Grant Schemes.

2.3 Benefits Update

- 2.3.1 The data below highlights the Statutory Performance Indicators which measure both the speed of processing for new Housing Benefit claims and for changes in circumstances. The Scottish average comparator is based on the latest information published by DWP.

Days to Process	2018/19	2019/20	2019/20 Scottish Average (based on Q2 figures)
New Claims	25	17	16
Change of Circumstances	7	5	6

- 2.3.2 The speed of processing for both new applications and change of circumstances for April 19 to March 20 has improved significantly against last year, is in line with expectations.
- 2.3.3 Processing performance for quarter 1 in 2018/19 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 COVID-19 has resulted in an increase in new applications received particularly in respect of the Council Tax Reduction Scheme. Applications increased by 83% when comparing April 19 to April 20. (from 361 to 661) This has impacted on the speed of processing, increasing it by one day. DWP recently announced applications for Universal Credit across the UK spiked by around one million applications due to COVID-19. Applicants to UC can also indicate they wish to apply for CTRS. As such, the Service is expecting a significant increase in applications received via DWP in the months to come and is taking steps to manage this additional demand including reprioritising workload.

2.4 Council Tax Reduction Scheme

2.4.1 As at 31 March 2020 a total of £23.043m had been awarded for 2019/20.

2.4.2 As at 30 April 2020 for 2020/21 £24.275m had been awarded. At this stage in the year, the increase is mainly due to the increase in Council Tax agreed at the Council meeting on 24 Feb 2020.

2.2.3 However, it can be anticipated that this figure will increase during the course of the year due to the impact of COVID-19. The service has seen around an 80% increase in applications from this time last year. Note that Scottish Government has committed to provide additional funding of £50m to assist with additional pressures on the Council Tax Reduction Scheme. The allocation for North Lanarkshire Council has not yet been confirmed.

2.5 Scottish Welfare Fund

2.5.1 The Council has operated the full roll-out of the Scottish Government's Scottish Welfare Fund (SWF) since 1 April 2016.

2.5.2 As at 31 March 2020 SWF made 13,911 awards of which 11,138 related to Crisis and 2,773 related to Community Care Grants. Unsuccessful applications which did not proceed to an award amounted to 4,426 in respect of Crisis Grants and 1,083 in respect of Community Care Grants.

2.5.3 As at 31 March, grants paid from Scottish Welfare Fund amounted to £2.608m (or 99.7%) of the annual award budget of £2.616m.

2.5.4 Scottish Government announced an additional £45m for Scottish local authorities for 2020/21 in response to the COVID-19 emergency. To date, £22m has been distributed to local authorities, with NLC receiving £1.744m. The remaining £23m has yet to be distributed.

2.5.5 SWF Team resources were initially deployed to prioritise Crisis Grants as the number of applications spiked in the early days of the COVID-19 outbreak. Redeployment from other areas has allowed the team to improve performance in dealing with Crisis Grants and allocate time to process Community Care Grants.

2.5.6 As at end of April 1,637 applications for crisis grants had been received. This was a 9% increase from the 1,504 applications received at the end of April last year. Spend on crisis grants was £102K compared to last year's total for April of £94K

2.6 Discretionary Housing Payments

2.6.1 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.

2.6.2 At 31 March 2020 the total paid in respect of Bedroom Tax was £4.422m.

2.6.3 In addition the Council also receives £0.655m in respect of non-bedroom tax related issues. As at 31 March 2020, £0.650m has been paid or committed from the fund.

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 impact.

5. Measures of success

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

6. Supporting documents

6.1 N/A



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