

North Lanarkshire Council Report

Finance and Resources Committee

approval noting

Ref EK/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 the Council Tax Reduction Scheme as at 31 July 2020.

Key points to notes are as follows:

- As at 31 July 2020, 36.5% of Council Tax for 2020/21 had been collected. This is a 1% reduction at the same point last year. This is a direct consequence of the COVID-19 outbreak,
- Non Domestic Rates collection as at 31 July 2020 was down 5.1% in comparison with the same point in the previous year.
- At end of July, the average time taken to process new Housing Benefit applications had improved to 16 days from 19 days in comparison with this point last year.
- As at 31 July, grants paid from Scottish Welfare Fund amounted to £0.609m (or 13.4%) of the annual award budget of £4.558m.

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

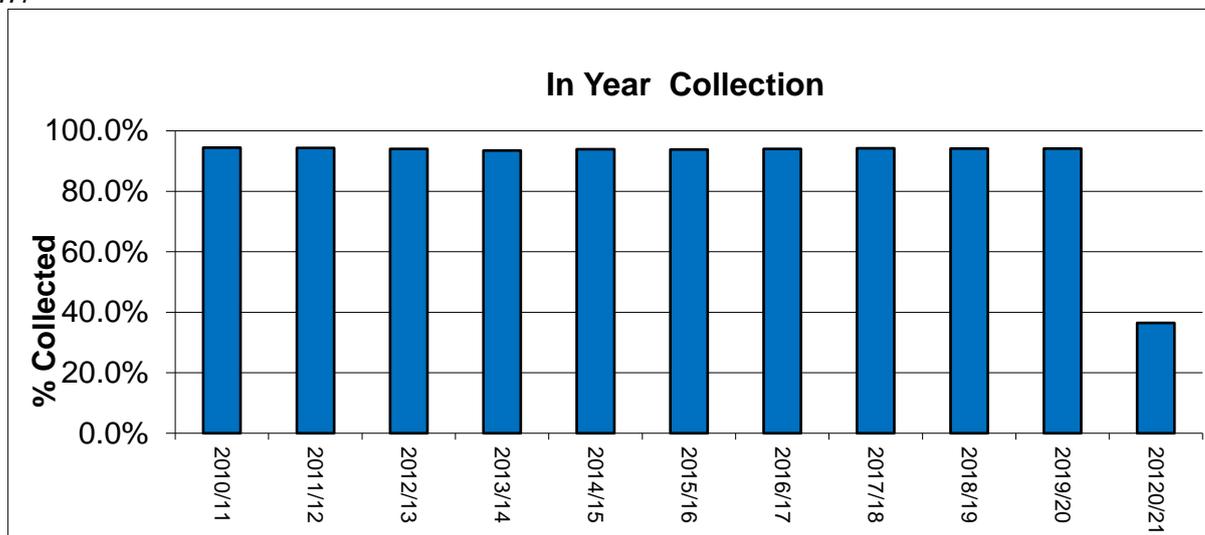
- 1.1 This report highlights key performance issues in relation to Council Tax and Non Domestic Rates, the speed of benefit processing for new applications and changes and details Discretionary Housing Payment and Scottish Welfare Fund spend for the year.

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 position for 2020-21 was a collection rate of 36.5% down 1% in comparison to 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 The 1% reduction in this year's collection is attributable to the impact of COVID-19. Recovery of Council Tax was suspended during the months April to June. In July 31,675 non statutory, soft reminders were issued encouraging payment or engagement with the Revenues Team for residents having difficulties paying. Statutory Reminders will be issued in August and our normal recovery processes will recommence.

2.1.4 The soft reminders issued encouraged those in arrears to contact the Revenues Team to agree suitable payment arrangements, make application for Council Tax Reduction and/or refer to Financial Inclusion Team where appropriate. Payments received in the three weeks following the issue of the reminders amounted to £1.2m.

2.1.5 There has been a significant increase in the number of applications for Council Tax Reduction Scheme (CTRS). In 2020/21 the caseload has increased by 2,063 a 5.9% increase from the start of the year. This is expected to continue to rise during the course of the year.

2.2 Non Domestic Rates

2.2.1 Non Domestic Rates collection as at 31 July 2020 was down 5.1% in comparison at the same point last year.

2.2.2 The reduction is a consequence of COVID-19. Statutory recovery of arrears can only commence after 30 September. In line with Council Tax recovery non

statutory soft reminders will be issued in September/October encouraging payment arrangements and signposting ratepayers to Enterprise Services for further assistance where appropriate.

- 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 The scheme closed on 10 July 2020. The Council has made 3,870 awards totalling £41.6m in Business Support Grant for this scheme.

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	2019/20	2020/21	2019/20 Scottish Average
New Claims	19	16	16
Change of Circumstances	8	5	4

- 2.3.2 The speed of processing for both new applications and change of circumstances for April 20 to July 20 has improved against last year and is in line with expectations.

- 2.3.3 The impact of COVID-19 has resulted in an increase in new applications received particularly in respect of the Council Tax Reduction Scheme. The number of CTRS applications in comparison with April to July last year saw an increase to 4,794 from 2,025. The Service is expecting an increase in applications received via DWP (Universal Credit Claims) in the months to come and is taking steps to manage this additional demand.

2.4 Council Tax Reduction Scheme

- 2.4.1 As at 31 July 2020 a total of £25.573m had been awarded for 2020/21. An increase of £1.7m from the amount awarded at the beginning of the financial year.

2.4.2 However, it can be anticipated that this figure will increase during the course of the year due to the impact of COVID-19. Scottish Government has committed to provide additional funding of £50m across all Scottish Local Authorities to assist with additional pressures on the Council Tax Reduction Scheme.

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 July 2020 SWF made 4,584 awards of which 3,872 related to Crisis and 712 related to Community Care Grants. Unsuccessful applications which did not proceed to an award amounted to 1,101 in respect of Crisis Grants and 125 in respect of Community Care Grants.

2.5.3 As at 31 July, grants paid from Scottish Welfare Fund amounted to £0.609m (or 13.4%) of the annual award budget of £4.558m.

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. This sum was in addition to the original budget of £2.814m.

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 during April to June, has allowed the team to improve performance in dealing with Crisis Grants and allocate time to process Community Care Grants. Crisis grant applications are reducing to normal levels, however with support schemes such as the furlough scheme due to end this will have a direct impact on the level of applications. Community Care grants are now expected to increase with the easing of lockdown restrictions specifically the ability to move home.

2.5.6 With additional funding provided the fund award priority has been reduced to medium from high, enabling a higher number of residents in crisis to receive financial assistance.

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 July 2020 the total paid in respect of Bedroom Tax was £4.556m.

2.6.3 In addition the Council also receives £655K in respect of non-bedroom tax related issues. As a result of COVID this was increased by Scottish Government to £898k. As at 31 July 2020, £183K 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**

N/A



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