

Corporate Scrutiny Committee 15 August 2023

Report Title	Revenues and Benefits Performance Report 2022/23
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Relevant Executive Member	Cllr Lloyd Bunday Executive Member for Finance & Transformation

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None

1. Purpose of Report

- 1.1. To provide Members with an update on the performance of the Revenues and Benefits Service for the 2022/23 financial year.

2. Executive Summary

- 2.1 This report provides an update on the performance of the Revenues and Benefits team for the financial year covering the period 1 April 2022 to 31 March 2023.

3. Recommendations

- 3.1 It is recommended that the Corporate Scrutiny Committee:
- a) Note and comment on the Revenues and Benefits performance data for the financial year covering 1 April 2022 to 31 March 2023.

Reason for recommendation – to enable Corporate Scrutiny to review the annual performance of the Revenues and Benefits Service.

4. Report Background

- 4.1 The Revenues and Benefits team are responsible for the billing and collection of Council Tax and Business Rates and the calculation and payment of Housing Benefit, Local Council Tax Support and Discretionary Housing Payments.
- 4.2 In addition, since the onset of the pandemic the team has also administered a number of business grant schemes on behalf of the Department for Business,

Energy and Industrial Strategy and the Council Tax Energy Rebate Scheme on behalf of the Department for Levelling Up, Housing and Communities.

5. Performance

Performance in the collection of Council Tax

- 5.1 Council Tax is a property tax which is levied on the broad capital value of domestic properties. The Valuation Office Agency split all domestic properties into eight bands from A to H, with an amount charged linked to each band. Calculation of the amount payable follows a weighted calculation set by central government. Properties in band A pay two thirds of the tax levied on Band D properties; those in Band H pay twice the tax levied on Band D.
- 5.2 The number of properties within North Northamptonshire has been increasing year on year, at the beginning of April 2022 there were 155,821 properties and this has risen to 157,677 by the end of March 2023, an increase of 1856 properties.
- 5.3 Seventy five percent of properties are in bands A – C inclusive, less than 2% (3,216 properties) are in the top two bands of G and H.
- 5.4 The net debit raised (amount to be collected) after discounts, exemptions and Local Council Tax Support was £228.5m.
- 5.5 The amount of Council Tax collected in the period 1 April 2022 – 31 March 2023 was £221m, which equates to 96.80% of the net debit raised. This is 0.47% above the in-year collection rate achieved for 2021/22. Proactive collection of the outstanding Council Tax for 2022/23 will continue during 2023/24 and onwards.

Performance in the collection of Business Rates

- 5.6 Business Rates are collected from 11,903 businesses properties in North Northamptonshire, with a Rateable Value (RV) of c£328m (as at the end of March 2023).
- 5.7 For billing purposes, a business rates hereditament can be as small as an Automated Teller Machine (ATM) or an advertising space up to the size of an airport or sports stadium. Each hereditament has a separate bill. The Valuation Office Agency (VOA) works out the rateable value (RV) for a property, the Government set national rules and reliefs and the Council calculates and collects the amounts due by applying a multiplier that is set by central government and other calculations where appropriate.
- 5.8 The amount of Business Rates collected in the period 1 April 2022 – 31 March 2023 was £138.9m, which equates to 97.05% of the £141.1m net debit raised. This is 1.28% above the in-year collection rate achieved in 2021/22. Proactive collection of the outstanding Business Rates for 2022/23 will continue during 2023/24 and onwards.
- 5.9 The Council is reimbursed by Government for all mandatory reliefs granted.

Recovery Activity

- 5.10 The Council's recovery strategy is based on engagement with residents; the aim being to ensure payment of accruing liability with an affordable payment arrangement towards any arrears. This ensures debt management and a sustainable approach to debt recovery.
- 5.11 During 2022/23 46,696 reminders (62,039 in 2021/22) and 26,943 final notices (39,272 in 2021/22) for non-payment of Council Tax were issued. For non-payment of Business Rates 2,442 reminders (4,851 in 2021/22) and 739 final notices (2,913 in 2021/22) were issued. It is worth noting that some of our customers will receive more than one reminder and final notice depending on the number of times they fall behind with their payments.
- 5.12 Following on from the reminders/final notices, 13,087 summonses (20,820 in 2021/22) for non-payment of Council Tax and 467 summonses (729 in 2021/22) for non-payment of Business Rates have been issued and liability orders granted by the magistrate's court.
- 5.13 The high numbers of reminders, final notices and summonses during 2021/22 was due to the recovery routine being re-established in May 2021 following a 12 month pause in recovery activity during the Covid-19 pandemic, the recovery cases for 2020/21 were dealt with during 2021/22, hence the reduced numbers during 2022/23.
- 5.14 Court hearings are held monthly, and members of the Council's Social Inclusion Team attend to engage with our customers and provide them with money and debt advice.

Breathing Space

- 5.15 A national debt respite scheme called Breathing Space was brought in to give any individual in problem debt the right to legal protection from their creditors for a short period of time to enable them to reflect and put in place plans on how they could manage the debt and repayments due. There are two types of Breathing Space, which both came into force from the 4th May 2021.
- 5.16 Standard Breathing Space
- Breathing Space will pause enforcement action; freeze interest, fees and charges, and pause creditor contact.
 - Lasts up to 60 days and can apply once a year.
 - It is accessed via professional debt advice.
- 5.17 Mental Health Breathing Space
- Breathing Space includes a Mental Health Crisis Moratorium for those receiving mental health crisis treatment.
 - The protections last for the duration of their crisis treatment, followed by a further 30 days.
 - The Money and Mental Health Policy Institute estimate that the median duration of treatment is 34 days.

- 5.18 The Council has received 123 applications for Breathing Space during 2022/23 that have been supported by professional debt advice services and the Council has paused enforcement action in line with the scheme requirements. This is 42 more applications than the Council received in 2021/22.

Performance in Benefits Administration

- 5.19 At the end of March 2023, the Council was paying out benefit to approximately 17,300 households in North Northamptonshire, the includes Housing Benefit and Council Tax Support claims.
- 5.20 The caseload is made up of 57% working age and 43% pensionable age claimants.
- 5.21 The total amount of Council Tax Support paid out in 2022/23 was £15,987,929.
- 5.22 The Housing Benefit subsidy claim for 2022/23 was £50,611,198.
- 5.23 The performance target for processing new claims and changes of circumstances counts the overall number of days taken to process a claim, including any time associated with claim follow up or request for further evidence.
- 5.24 The performance target for processing new claims is 21 days and changes in circumstances is 9 days, the service achieved 22 days and 5 days respectively during 2022/23. The service is working to achieve the target for new claims going forward.

Discretionary Housing Payments

- 5.25 The Discretionary Housing Benefit scheme provides funding to deal with hardship in situations where Housing Benefit or the Housing Element of Universal Credit does not cover all the rent a person is charged. To qualify for consideration under the scheme the resident must already qualify for Housing Benefit (at least in part) or the Housing Element of Universal Credit.
- 5.26 The government provides councils with a grant amount up to an agreed threshold for such payments and any money not spent in the year in which it relates is returned to government unspent. The Council is able to fund above this amount up to a further threshold, which would have to be funded from the Council's revenue budget.
- 5.27 The grant allocated to North Northamptonshire Council for 2022/23 was £387,317. During the financial year 2022/23, 1,852 applications were received, 934 awards made, and 918 applications refused, totalling a spend of £382,471.

Council Tax Discretionary Discount Section 13A application

- 5.28 Section 13A of the Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012), provides North Northamptonshire Council with the discretionary powers to reduce Council Tax liability.

- 5.29 The provision allows the Council the discretion to aid Council Taxpayers where either the existing legislation does not provide a discount, exemption or reduction or in circumstances where the Council has decided that the level of discount, exemption or reduction is insufficient.
- 5.30 Section 13A awards will be used to mitigate any unforeseen or exceptional hardship circumstances that threaten taxpayers' ability to pay their Council Tax or to remain in their home.
- 5.31 As there is a financial implication when awarding discounts under Section 13A because the Council has to fund all awards from its own funds without any Government support, any such awards must meet certain criteria to ensure they offer value for money to North Northamptonshire's taxpayers.
- 5.32 For the period 1 April 2022 to 31 March 2023, 301 applications have been received and processed. Resulting in 21 awards totalling £22,718 and 280 refusals.
- 5.33 The majority of those refused either have excess income so it is considered that they are able to afford to make the payments or they did not provide further information that was requested to support their application. No one has appealed the refusals and the service can clearly show individuals the methodology used.
- 5.34 In nearly all the cases the Social Inclusion Team has had a telephone conversation with the customer and has been able to help in other areas such as Discretionary Housing Payment applications, Personal Independence applications and utilities advice etc.

Council Tax Energy Rebate Scheme and Discretionary Fund

- 5.35 On the 3 February 2022, the Government announced a package of support known as the Energy Bills Rebate to help households with rising energy bills. Nationally, this was worth £9.1 billion in 2022/23 and included:
- A £200 discount on the energy bill in Autumn 2022 for domestic electricity customers in Great Britain.
 - A £150 non-repayable rebate for households in England for Council Tax bands A-D, known as the Council Tax Energy Rebate Scheme.
 - £144 million discretionary funding for billing authorities to support households who are in need but are not eligible for the core Council Tax Energy Rebate Scheme or may require top up funding if they are vulnerable, known as the Discretionary Fund.
- 5.36 Council Tax Energy Rebate Scheme – The Council made 130,423 payments totalling £19,653,450.
- 5.37 Discretionary Fund – The Council made 17,328 payments totalling £561,136 (the Council's allocation from central government was £561,385).

Energy Bills Support Scheme (EBSS) Alternative Fund

5.38 The EBSS Alternate Fund is a one-off £400 non repayable discount to eligible households who have not received the main EBSS payment automatically to help with their energy bills as they do not have a direct domestic electricity supply contract but are still facing increased energy costs.

5.39 To date the Council has made 791 payments totalling £286,000.

Alternative Fuel Payment (AFP) Alternative Fund

5.40 The Alternative Fuel Payment (AFP) provides a payment for households that use alternative fuels – such as heating oil, biomass and liquefied petroleum gas (LPG) as their main source of heating.

5.41 To date the Council has made 578 payments totalling £115,600.

5.42 Both schemes closed for applications on the 31 May 2023 (with the exception of customers with corporate appointees using business bank accounts, this was 16 June 2023) with final payments having to be made by 11 August 2023.

Covid-19 Additional Relief Fund (CARF)

5.43 The Government introduced this additional business rate support for businesses affected by Covid-19 but outside the scope of the retail, hospitality and leisure sectors and not eligible for other rates relief during 2021/22.

5.44 The Council was allocated £7,653,788 in funding to support businesses. CARF was awarded to 460 businesses totalling £7,602,689 (99.59% of available grant).

Business Grants

5.45 As reported in the 2021/22 Revenues and Benefits Performance report, a number of business grant schemes were introduced by the Department for Business, Energy and Industrial Strategy (BEIS), following the onset of the Covid-19 pandemic.

5.46 The grants, namely, the Local Restriction Support Grants, Restart Grants and Omicron Grants were administered by the council's Business Rates team (12,336 grant payments totalling £34,898,189). The grant schemes closed at the end of March 2022 and Post Payment Assurance (PPAS) checking of the grants was undertaken by BEIS during 2022/23.

5.47 The purpose of the PPAS checking was for the Council to provide assurance to both itself and BEIS that it had followed the eligibility guidance and so minimised the risk of errors/fraud and over/irregular payments.

5.48 In June 2023, the Council received notification from the Department confirming that none of its business grants sample checked as a part of the PPAS process had been identified as being ineligible and the results of the completed PPAS would be submitted to the National Audit Office.

6. Implications (including financial implications)

6.1 Resources and Financial

6.1.1 There are no resource or financial implications as no proposals are being made.

6.2 Legal and Governance

6.2.1 There are no legal implications as no proposals are being made.

6.3 Relevant Policies and Plans

6.3.1 This report is for information only therefore no proposals are being made.

6.4 Risk

6.4.1 There are no significant risks arising from the proposed recommendation in this report.

6.5 Consultation

6.5.1 The report is for information only therefore no consultation has taken place as no proposals are being made.

6.6 Equality Implications

6.6.1 There are no equality implications arising as no proposals are being made.

6.7 Climate Impact

6.7.1 There is no climate impact arising as no proposals are being made.

6.8 Community Impact

6.8.1 There is no community impact arising as no proposals are being made.

6.9 Crime and Disorder Impact

6.9.1 There are no crime and disorder impacts arising as no proposals are being made.

7. Background Papers

7.1 None