

Finance & Resources Scrutiny Committee 2nd November 2021

Report Title	Revenue and Benefits Performance Report (1st April to 30th September 2021) – six month report
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List of Appendices

None

1. Purpose of Report

- 1.1. To provide Members with an update on the performance of the Revenue and Benefits Team.

2. Executive Summary

- 2.1 This report provides an update on the performance of the Revenue and Benefits Team for the first six months of the financial year and covering the period 1st April 2021 to 30th September 2021.

3. Recommendations

- 3.1 It is recommended that the Finance Scrutiny Committee:
- a) Note and comment on the Revenue and Benefits performance data for the first six months of 2021/22.

Reason for Recommendations – to enable Scrutiny to review the performance of the Revenues and Benefits Service.

4. Report Background

- 4.1 The Revenue and Benefits Team are responsible for the billing and collection of Council Tax & 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 & Industrial Strategy and also Test & Trace Support Payments of behalf of the Department for Health & Social Care.

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 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 2021 there were 154,160 properties and this has risen to 154,802 by the end of September 2021.
- 5.3 Seventy six percent of the properties are in bands A - C (inclusive), less than 2% (3,175 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 is currently £217.5m.
- 5.5 The amount of Council Tax collected in the period 1 April 2021 – 30 September 2021 is £123.5m, which equates to 56.79% of the net debit raised. This is 0.79% above the 2021/22 target and 0.38% above the collection rate at the same point in time during 2020/21.

Performance in the collection of Business Rates

- 5.6 Business Rates are collected from 11,795 business properties in North Northamptonshire, with a Rateable Value (RV) of c£337m (as at the end of September 2021).
- 5.7 For billing purposes, a business rates hereditament can be as small as an Automated Teller Machine (ATM) or a parking or advertising space up to the size of an airport or sports stadium. Each hereditament has a separate bill. Depending upon how it is occupied and split, one building may have several hereditaments. 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 amount 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 1st April 2021 – 30th September 2021 is £65.9m, which equates to 48,72% of the net debit raised. This is 6.28% below the 2021/22 target and 1.89% below the collection rate at the same point in time during 2020/21.

5.9 Changes to Expanded Retail Relief (ERR) during 2021/22 as a result of the changes implemented following COVID-19 have had an impact on Business Rates collection. This is because 100% ERR was awarded to business for the period 1st April 2021 to 1st July 2021, after this period, in line with government guidance ERR was cancelled and business had to re-apply for ERR for the period 1st July 2021 to 31st March 2022 based on 66% of their liability (not 100% as before). The cancellation of ERR in July meant that the net debit to be collected increased by £23m. There has been a slow response with regards to businesses applying for ERR, at present 35% of businesses have applied. Businesses have until the 30th April 2022 to apply or refuse the relief; initial feedback is that businesses are waiting until nearer the closing date to see if they will exceed the subsidy allowance limits (previously State Aid).

5.10 The Council is reimbursed for all mandatory reliefs granted.

Recovery Activity

5.11 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.

5.12 Recovery for non-payment of Council Tax and Business Rates started again in May 2021, this was following a pause due to the COVID-19 pandemic and the courts having limited availability for liability order hearings. During this period official reminders were replaced with letters detailing the help and support that was available for customers who were having difficulties in paying.

5.13 Since May 2021, 74,703 reminders/final notices for non-payment of Council Tax and 4,938 for non-payment of Business Rates have been 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.

5.14 Following on from the reminders/final notices, 13,974 summonses have been issued and liability orders granted by the magistrate's court.

5.15 The frequency of court hearings will increase from January 2022 to monthly rather than bi-monthly. Members of our Social Inclusion Team will be present at the courts to engage with our customers and provide them with money and debt advice.

5.17 A national Debt Respite Scheme (Breathing Space) has been brought in to give someone in problem debt the right to legal protections 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 spaces, which both came into force from the 4th May 2021

5.18 Standard Breathing Space

- Breathing Space will pause enforcement action; freeze interest, fees, and charges, and pause creditor contact.
- Lasts up to a 60-days and can apply once a year.
- It's accessed via professional debt advice.

5.19 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.

5.20 The Council has received 5 applications for Breathing Space that have been supported by professional debt advice services therefore the Council has paused enforcement action in line with the scheme requirements.

Performance in Benefits Administration

5.21 Currently, the Council is paying out benefit to approximately 18,000 households in North Northamptonshire, this includes Housing Benefit and Council Tax Support claims.

5.22 The caseload is made up of 58% working age and 42% pensionable age claimants.

5.23 The caseload has reduced slightly (approximately 60 claimants) since April 2021. Compared to the same point in time last year there has been a reduction of approximately 400 claimants. The caseload may increase again due to furlough scheme ending on the 30 September 2021, if this does happen, it will be reflected in the caseload figures from mid-November onwards. This is because Universal Credit claims take five weeks to process by the Department for Work and Pensions.

5.24 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 requests for further evidence.

5.25 The performance target for processing new claims is 21 days and changes in circumstances is 9 days; the Service is currently achieving 19 days and 7 days.

Discretionary Housing Payments

5.26 The Discretionary Housing Payment scheme provides funding to deal with hardship in situations where normal Housing Benefit or the Housing Element of Universal Credit does not cover all the rent a person is charged. To qualify for some consideration for assistance under this scheme the resident must already qualify for some Housing Benefit or the Housing Element of Universal Credit.

5.27 From April 2013 the government provided extra funding to ease the introduction of the household benefit cap but also to meet continuing and unavoidable needs resulting from the application of size criteria in the social rented sector rather than catering for these in the Housing Benefit scheme itself.

- 5.28 The government provides councils with a grant amount up to an agreed threshold and any money not spent in the year to which it relates is returned to government as unspent. The Council is able to fund above this amount up to a further threshold, but this would be funded from the Council's budget.
- 5.29 The grant allocated to North Northamptonshire Council for 2021/22 is £546,473. As at 30th September 2021, 906 applications have been received, 555 awards made and 351 applications refused, totalling a spend of £238,327. Projections show that the full grant allocation will be spent by the end of the financial year.

Test & Trace Support Payments

- 5.30 The Test & Trace Support Payment Scheme is administered by North Northamptonshire Council on behalf of the Department of Health & Social Care.
- 5.31 From 28th September 2020, individuals are entitled to a Test and Trace Support Payment or discretionary support payment of £500. This is to support people on low incomes who are unable to work from home if they are told to self-isolate by NHS Test and Trace and will lose income as a result.
- 5.32 These payments are designed to help ensure people who have tested positive for COVID-19 and their close contacts self-isolate for the required period to stop the onward spread of the virus. They are also designed to encourage individuals who are eligible for this payment to get tested if they have symptoms. This is important to help stop the transmission of COVID-19 and avoid further economic and societal restrictions.
- 5.33 The scheme has recently been extended until the 31 March 2022.
- 5.34 For the period 28th September 2020 to 30th September 2021, 1,165 main scheme and 568 discretionary scheme payments have been made totalling £0.867m.
- 5.35 There are 499 applications currently waiting to be processed, these have all been reviewed and are waiting on the customer to provide further information to complete their application.

Council Tax Discretionary Discount Section 13A applications

- 5.36 Section 13A of the Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012), provides North Northamptonshire Council (NNC) with discretionary powers to reduce Council Tax liability.
- 5.37 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.
- 5.38 Section 13A awards will be used to help mitigate any unforeseen or exceptional hardship circumstances that threaten taxpayers' ability to pay their council tax or to remain in their homes.

- 5.39 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.
- 5.40 For the period 1st April 2021 to 30th September 2021, 89 applications have been received. Of these 40 have been processed, resulting in one award and 39 refusals. There are 49 applications awaiting assessment, this is where further information has been requested from the customer to complete their application.
- 5.41 The majority of those refused all have excess income so it is considered that they are able to afford to make the payments, no one has appealed the refusals and the service can clearly show individuals the methodology used.
- 5.42 In nearly all of the cases the service has had a telephone conversation with the customers and has been able to help in other areas such as Discretionary Housing Payment applications, Personal Independence Payment applications and utilities advice etc.
- 5.43 It is reassuring to see the overall advice and support is being taken up and can make a difference in respect of individuals being able to access benefits, this is an area that the service is seeking to strengthen further.

Business Grants

- 5.44 A number of business grant schemes have been introduced by the Department of Business, Energy and Industrial Strategy since to Covid-19 pandemic started, these grants have been administered by the Council's Business Rates Team, with the exception of the Additional Restrictions Grant (discretionary) which is being administered by the Economic & Development Team within the Place & Economy Directorate.
- 5.45 All of the grant schemes administered by the Business Rates Team have now closed however, there is still ongoing work with regards to the reconciliation, reporting and audit of these grants.
- 5.46 The table below details the different grant schemes, the number and value of grants paid.

Grant	No. of Payments Made	Value of Payments Made
Local Restrictions Support Grant (LRSG) - National Lockdown 2 (November 2020)	1,782	£2,767,261
LRSG - Tiers 2/3/4 mandatory (December 2020)	2,179	£747,363
LRSG - Tiers 2/3/4 Restrictions open (December 2020)	461	£443,313
LRSG - National Lockdown 3 lockdown payment (January 2021)	1,931	£8,790,000
LRSG - Jan/Feb/March 2021	3,712	£8,872,956
Christmas Support Payment for Wet-Led Pubs	135	£135,000
Restart Grants (April – June 2021)	1,423	£10,692,098

Total	11,623	£32,447,991
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6. Implications (including financial implications)

6.1 Resources and Financial

6.1.1 This report is for information only therefore there are no resource or financial implications as no proposals are being made.

6.2 Legal

6.2.1 This report is for information only therefore there are no legal implications as no proposals are being made.

6.3 Risk

6.3.1 This report is for information only therefore there are no significant risks as no proposals are being made.

6.4 Consultation

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

6.5 Consideration by Scrutiny

6.5.1 Performance of the services is within the remit of the Finance & Scrutiny Committee.

6.6 Climate Impact

6.6.1 This report is for information only.

6.7 Community Impact

6.7.1 This report is for information only.

7. Background Papers

7.1 None.