



Finance and Resources Scrutiny Committee Tuesday 21 June 2022

Report Title	Revenues and Benefits Performance Report 2021/22
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Are there public sector equality duty implications?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972	

[For Internal Sign-off only – to be removed from final published report]

Contributors/Checkers/Approvers

Approver	Officer Name	Date Officer Approved Report
North MO	Adele Wylie	Enter approval date
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Other Director/SME	N/A	Enter approval date

List of Appendices

None

1. Purpose of Report

- 1.1. To provide Members with an update on the performance of the Revenue and Benefits Service for the 2021/22 financial year.

2. Executive Summary

- 2.1. This report provides an update on the performance of the Revenue and Benefits Team for the financial year covering the period 1st April 2021 to 31st March 2022.

- 2.2. A previous report was presented to this Committee at its meeting on 2nd November 2021 which set out the performance for the first six month period 1st April 2021 to 30th September 2021.

3. Recommendations

- 3.1. It is recommended that the Finance and Resources Scrutiny Committee:
- a) Note and comment on the Revenue and Benefits performance data for the financial year covering the period 1st April 2021 to 31st March 2022.

Reason for Recommendation – to enable Scrutiny to review the annual 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 and Industrial Strategy and also Test & Trace Support Payments of behalf of the Department for Health and 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 155,671 by the end of March 2022.
- 5.3. Seventy five percent of the 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 £218m.
- 5.5. The amount of Council Tax collected in the period 1 April 2021 – 31 March 2022 was £210m, which equates to 96.42% of the net debit raised. This is 0.55% above the in-year collection rate achieved for 2020/21.

Performance in the collection of Business Rates

- 5.6. Business Rates are collected from 11,832 business properties in North Northamptonshire, with a Rateable Value (RV) of c£338m (as at the end of March 2022).
- 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 1 April 2021 – 31 March 2022 was £128.3m, which equates to 95.77% of the £133.9m net debit raised. This is 1.25% above the in-year collection rate achieved in 2020/21.
- 5.9. The Council is reimbursed 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. 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.
- 5.12. Since May 2021, 62,039 reminders and 39,272 final notices for non-payment of Council Tax have been issued. For non-payment of Business Rates 4,851 reminders and 2,913 final notices 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.
- 5.13. Following on from the reminders/final notices, 20,820 summonses for non-payment of Council Tax and 729 summonses for non-payment of Business Rates have been issued and liability orders granted by the magistrate's court.
- 5.14. The frequency of court hearings increased from January 2022 to monthly rather than bi-monthly. Members of our Social Inclusion Team attended the courts to engage with our customers and provide them with money and debt advice.

5.15. 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.

5.16. 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.

5.17. 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 81 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

5.19. At the end of March 2022, the Council was paying out benefit to approximately 17,400 households in North Northamptonshire, this 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 caseload has reduced (approximately 675 claimants) since April 2021.

5.22 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.

5.24 The performance target for processing new claims is 21 days and changes in circumstances is 9 days; the Service achieved 21 days and 4 days.

Discretionary Housing Payments

5.25 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.

- 5.26 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.
- 5.27 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.
- 5.28 The grant allocated to North Northamptonshire Council for 2021/22 was £546,473. During the financial year 2021/22, 1607 applications have been received, 877 awards made, and 730 applications refused, totalling a spend of £411,460.

Test and Trace Support Payments

- 5.29 The Test and Trace Support Payment Scheme is administered by North Northamptonshire Council on behalf of the Department of Health & Social Care.
- 5.30 From 28th September 2020, individuals were entitled to a Test and Trace Support Payment or discretionary support payment of £500. This was 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.
- 5.31 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.
- 5.32 The scheme ended on the 24th February 2022.
- 5.33 For the period 28th September 2020 to 24th February 2022, payments of 2,201 for the main scheme and 1,324 for the discretionary scheme have been made totalling £1,762,500.

Council Tax Discretionary Discount Section 13A applications

- 5.34 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.

- 5.35 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.
- 5.36 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.
- 5.37 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.
- 5.38 For the period 1st April 2021 to 31st March 2022, 257 applications have been received and processed. Resulting in 14 awards (totalling £7,408) and 243 refusals.
- 5.39 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.
- 5.40 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.
- 5.41 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

- 5.42 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 and Development Team within the Place and Economy Directorate.
- 5.43 All the grant schemes administered by the Business Rates Team have now closed however, there is still ongoing work with regards to the auditing of these grants by the Department of Business, Energy and Industrial Strategy (BEIS).
- 5.44 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)	1,855	£2,873,286
LRSG - Sectors	6	£10,287
LRSG - Tiers 2/3/4 mandatory (December 2020)	2,190	£672,495
LRSG - Tiers 2/3/4 Restrictions Open (December 2020)	466	£378,067
LRSG – Closed business lockdown payment (January 2021)	1,923	£8,995,000
LRSG - Jan/Feb/March 2021	3,814	£9,127,192
Christmas Support Payment for Wet-Led Pubs	135	£135,000
Restart Grants (April – June 2021)	1,487	£11,162,767
Omicron Grants (January 2022 – March 2022)	460	£1,544,095
Total	12,336	£37,771,475

5. 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 and Governance

6.2.1 This report is for information only therefore 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 recommendations in this report.

6.5 Consultation

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

6.6 Consideration by the Executive

6.6.1 This report is for information and no prior consideration or decisions have been made by the Executive here in respect of the report and its recommendations.

6.7 Equality Implications

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

6.8 Climate Impact

6.8.1 This report is for information only.

6.9 Community Impact

6.9.1 This report is for information only.

6.10 Crime and Disorder Impact

6.10.1 This report is for information only.

7 Background Papers

7.1 Finance and Resources Scrutiny Committee, 2 November 2021, Revenue and Benefits Performance Report (1st April to 30th September 2021) – six month report.