

Report to CenSus Joint Committee

9th December 2016

By The Head of Revenues and Benefits (CenSus)

➔ INFORMATION REPORT

CenSus Revenues and Benefits report.

Executive Summary

This report sets out the 16/17 year to date performance of CenSus Revenues and Benefits and activities undertaken by the service

Recommendations

The Joint Committee is asked to note the performance and activity of the Service.

Background Papers - None
Consultation - None
Wards affected - All
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2. Performance – 16/17

- 2.1 Benefits/CTS - stats are at appendix 1. Overall Performance to the end of October has overall claims targets missed by a small margin but changes of circumstances target being exceeded...
- 2.2 We have shifted priorities a little to reduce change of circumstances clearance times to help minimise official error (administrative delay) overpayments.
- 2.3 DHP – stats are at appendix 2. Expenditure has been closely monitored and is within expected budget for this time of year. Discussions are taking place with each authority on the desired way that DHP payments are to be awarded to cases that are subject to the revised benefit cap (see para 5).
- 2.4 Revenues - stats are at appendix 3 – CT collection at the end of October in Mid Sussex was marginally off target and slightly more so in both Adur and Horsham.
- 2.5 NDR – collection is of concern (although the gap between collection and target has narrowed this month). Both Adur and Horsham now seem to be mirroring the Mid Sussex performance during last year. A large piece of work analysing various aspects of the caseload and payment patterns did not reveal any reason for the reduction in the percentage collection rates see summary at Appendix 4). Common to surrounding authorities, collection is down in year although figures show that collection overall is achieved albeit that increasing amounts are now being collected once the year has ended...

3. Budget

- 3.1 The position outlined shows a surplus against budget to date of £68K for Census Revenues and Benefits, to the end of September as detailed in the table below. This is to be 'surrendered' as a saving for the year.
- 3.2 The staffing budget is overspending, whilst there is additional Enforcement Income and Grant income, which more than mitigate this. Significant variations are further explained below:
- Employee costs – Additional costs are as a consequence of the use of agency staff to backfill Revenue posts. Until required staffing figures 'post Adur departure' are known it is not proposed to recruit to these vacancies.
 - Grant Income – Additional grant income has been received for new burdens in 2016/17 in respect of Implementing Welfare reform; Single Fraud Investigation Service; Pension Credit Assessed Income; Real Time information and Fraud; Error reduction Incentive Scheme; Benefit Cap changes; Universal Credit set up costs and Local Authority Data Sharing programme. It has been possible to manage the costs of these new burdens within existing resources and therefore the grant income received to date is contributing to the surplus achieved.
 - Fees and Charges – Additional income as a result of increased enforcement activity in the half of the year.

Revenue	Revised Budget	Budget to date	Actual after prepay / accrual adjs	Variance
	£	£	£	£
Employee Costs	2,750,368	1,375,184	1,471,893	96,709
Transport Costs	71,610	35,805	25,829	(9,976)
Supplies and Services	715,386	357,693	306,753	(50,940)
Total Expenditure	3,537,364	1,768,682	1,804,475	35,793

Grant Income	0	0	(60,370)	(60,370)
Fees & Charges	(565,330)	(282,665)	(326,628)	(43,963)
Miscellaneous Income	(3,000)	(1,500)	(1,077)	423
Total Income	(568,330)	(284,165)	(388,075)	(103,910)
Net Expenditure	2,969,034	1,484,517	1,416,400	(68,117)

4. Staffing/recruitment

4.1 All teams excepting Revenues are full staffed. Until the 'post Adur' staffing requirements in Revenues is known Agency staff will continue to be employed rather than a recruitment exercise being run.

5. Benefit Cap

5.1 We have now received details of all those claims affected by the benefit cap. The numbers are as follows –

Adur	70
Horsham	74
Mid Sussex	103

6. Single Person Discount (Council Tax)

6.1 This exercise is being run one authority at a time. The exercise for Adur has been completed... 292 SPD were cancelled resulting in additional annual income of £102,304 in CT due. The 292 cancellations represent 18% of the cases checked. Cases selected for check were on a risk assessed basis following reference to information held by credit agencies.

6.2 The exercise is now almost complete for Horsham and has just started for Mid Sussex...

6.3 The cost of this exercise will be in the region of £30k in total, with £8k of this being met by WSCC; the CenSus portion of the cost will be met from the current budget Significant sums in excess of the overall cost will be raised following the cancellation of SPDs to which there is no longer an entitlement.

7 Subsidy Audit

Initial Qualification letters have been issued by the auditors. Work on these is being undertaken but it appears that there will be subsidy claw-back for all 3 authorities. A verbal update will be provided at the meeting.

8. Next Steps

8.1 None

9 Outcome of Consultations

9.1 None

10 Other Courses of Action Considered but Rejected

10.1 None

11. Staffing Consequences

11.1 None

12 Financial Consequences

12.1 None

2016/17 - performance -average days to process

HB/LHA													
New Claims	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	YTD
Adur	16.2	20.6	17.2	17.5	18.2	15.6	18.7						17.6
Horsham	17.0	21.1	17.5	19.5	16.4	16.1	19.4						18.2
MSDC	19.0	20.3	17.7	19.0	16.9	16.7	18.5						18.3
CenSus	17.5	20.6	17.5	18.9	17.0	16.2	18.9						18.1
Target	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	
Changes	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	YTD
Adur	8.2	7.5	11.7	11.5	9.0	5.7	7.7						8.7
Horsham	9.4	9.5	12.3	11.2	9.3	6.9	5.9						9.3
MSDC	8.3	9.6	12.9	11.3	9.5	6.6	7.6						9.4
CenSus	8.6	9.0	12.3	11.3	9.3	6.5	6.8						9.2
Target	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	
CTRS													
Claims	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	YTD
Adur	18.2	21.7	17.7	19.1	19.0	17.6	18.4						18.7
Horsham	22.9	23.5	17.8	23.4	16.9	18.7	21.7						20.6
MSDC	24.1	21.2	19.4	20.4	19.1	21.2	19.0						20.5
CenSus	22.1	22.2	18.4	21.2	18.2	19.5	20.0						20.2
Target	18.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	
Changes	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	YTD
Adur	7.8	7.2	12.4	11.6	8.9	6.1	8.1						8.8
Horsham	8.1	10.0	13.3	11.2	8.6	7.3	7.4						9.6
MSDC	8.5	8.0	13.4	10.8	9.6	6.7	7.6						9.2
CenSus	8.2	8.4	13.1	11.2	9.3	6.7	7.7						9.2
Target	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	

DPH – Expenditure and commitment at 31/10/16

	DHP claims awarded	Budget	DHP committed	Percentage of budget committed
ADUR				
U/O claims	13		£ 9,718.38	
Benefit Cap claims	6	£ 30,745.00	£ 10,438.99	
Other' claims	33		£ 16,174.57	
Total	52	£102,994.00	£ 36,331.94	35%
net of Cap and current spend		£35,917.06		
HORSHAM				
U/O claims	29		£ 17,822.37	13%
Benefit Cap claims	11	£38,868.00	£ 27,652.01	20%
Other' claims	44		£ 23,540.92	17%
Total	84	£140,904.00	£ 69,015.30	49%
net of Cap and current spend		£33,020.70		
MID SUSSEX				
U/O claims	24		£ 15,658.05	12%
Benefit Cap claims	12	£22,614.00	£ 13,991.44	11%
Other' claims	54		£ 35,135.86	28%
Total	90	£126,392.00	£ 64,785.35	51%
net of Cap and current spend		£38,992.65		

16/17 Collection Rates

ADUR CT		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March
	Collected	11.2%	20.5%	29.7%	39.0%	48.2%	57.5%	66.8%					
	Target	11.5%	20.8%	29.8%	39.1%	48.2%	57.6%	67.3%	76.6%	85.7%	94.7%	96.4%	98.0%
NDR		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
	Collected	10.4%	18.5%	28.6%	37.3%	46.8%	56.1%	64.8%					
	Target	9.9%	19.8%	30.0%	39.3%	47.9%	57.3%	65.9%	74.2%	81.9%	90.8%	94.6%	98.0%
HORSHAM CT		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March
	Collected	11.3%	20.7%	30.0%	39.4%	48.9%	58.2%	67.6%					
	Target	11.3%	20.8%	30.5%	39.9%	49.5%	59.0%	68.5%	78.0%	87.4%	96.7%	97.3%	98.8%
NDR		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
	Collected	12.2%	19.7%	28.1%	36.8%	50.2%	59.0%	67.5%					
	Target	12.4%	21.0%	29.4%	38.0%	50.8%	60.1%	68.8%	76.7%	86.6%	91.9%	96%	98.0%
MSDC CT		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
	Collected	11.4%	20.8%	30.2%	39.4%	48.5%	57.8%	67.4%					
	Target	11.3%	20.8%	29.9%	39.2%	48.3%	57.7%	67.5%	76.8%	86.1%	95.3%	97.0%	98.8%
NDR		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
	Collected	11.2%	19.0%	28.0%	36.6%	48.3%	56.9%	65.6%					
	Target	10.7%	19.3%	28.1%	36.8%	48.5%	57.7%	65.9%	74.0%	83.4%	90.8%	94.6%	98.0%

Horsham NNDR Collection Rate – Summary

The purpose of this exercise was to investigate possible reasons for the reduction in the Horsham NNDR In- Year Collection Rate in recent years.

A number of possible factors were investigated. After analysing and considering all the evidence there does not appear to be any over-riding reason for the reduction in collection rates. I outline the conclusions below:

- The introduction of 12 monthly instalments has not had the impact expected. Most of the companies taking advantage of the scheme are the “big payers” and although the rates are collected over a longer period of time, these are companies however that pay on time. So by the end of the year, when we do our final calculations, they have paid all that is due. Smaller companies might experience cash flow problems and so payment drag in to the next financial year. However, due to the sums involved, this would not have a significant effect on the overall collection rate. This is also backed up by data provided by the “On-Going Collection Rates”. There appears to be no significant increase in receipts for the period following the end of the financial year.
- The collection rate on Empty Properties does pull down the overall rate; however this has been consistent since the amount of relief available was reduced. In addition, the impact is not significant if you compare the amount charged for occupied to empty properties. (It is also likely that Empty Properties have always been a drag on the collection rate however the separate rates have just not been available before).
- A void property is created on our database when the next liable person is unknown. If there was a high level of void accounts being created, this might highlight delays in bills being issued, which may have a detrimental effect on the collection rate. However, no evidence was found of this.
- Large ratepayers have not been making late payments and therefore had no adverse effect on the collection rate.
- No evidence was found of any significant changes in recovery action, whether pre-or post- summons. There do appear to be more post summons activity which may indicate that previously payments were made following a reminder, but they are now paying further down the recovery path. However, total arrears figures themselves have not changed significantly.
- A large volume of accounts or a single large payer where the debt has been written off due to insolvency, liquidation or bankruptcy, would be indicative of previously unpaid instalments/balances. However, the number of debts written off has fallen since 2012, (which reflects the economic recovery) and no single significant business failure has made any impact.
- Neighbouring authorities are also experiencing reductions in their NNDR collection rates and the feedback so far from them this year is the same.