



Service Delivery Committee	Tuesday, 11 September 2018	Matter for Information
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Report Title: **Revenues & Benefits Update (Q1 2018/19)**

Report Author(s): **Chris Raymakers (Head of Finance, Revenues and Benefits)**

Purpose of Report:	To inform Members of activity within the Revenues and Benefits area during the first quarter of 2018/19, and to bring them up to date as to the progress of Universal Credit implementation.
Report Summary:	Revenues and Benefits have shown strong performance in its core services over the first quarter of the year.
Recommendation(s):	That the contents of the report is noted.
Responsible Strategic Director, Head of Service and Officer Contact(s):	<p>Stephen Hinds (Director of Finance & Transformation) (0116) 257 2681 stephen.hinds@oadby-wigston.gov.uk</p> <p>Chris Raymakers (Head of Finance, Revenues and Benefits) (0116) 257 2891 chris.raymakers@oadby-wigston.gov.uk</p> <p>Mick Bullock (Benefits Team Leader) (0116) 257 2713 mick.bullock@oadby-wigston.gov.uk</p>
Corporate Priorities:	Effective Service Provision (CP2) Wellbeing for All (CP5)
Vision and Values:	"A Strong Borough Together" (Vision) Accountability (V1) Respect (V2) Customer Focus (V5)
Report Implications:-	
Legal:	There are no implications arising from this report.
Financial:	There are no implications directly arising from this report.
Corporate Risk Management:	Decreasing Financial Resources (CR1) Reputation Damage (CR4) Organisational/Transformational Change (CR8) Increased Fraud (CR10)
Equalities and Equalities Assessment (EA):	There are no implications arising from this report. EA not applicable.
Human Rights:	There are no implications arising from this report.
Health and Safety:	There are no implications arising from this report.

Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	The report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	None.
Background Papers:	None.
Appendices:	None.

1. Introduction

- 1.1 The Revenues and Benefit teams are responsible for the administration and collection of Council Tax and Non-Domestic Rates (NDR) for the Borough of Oadby and Wigston.
- 1.2 The Section also receives, assesses and administers the Housing Benefit service as well as facilitating the implementation of Universal Credit which will ultimately replace Housing Benefit for working-age claimants.

2. Revenues

- 2.1 The Revenues section is responsible for administering and collecting £30m of Council Tax and £12m of Non-Domestic Rates which it does on behalf of Leicestershire County Council, the Leicestershire Police Service, the Combined Fire and Rescue Service and Central Government as well Oadby and Wigston Borough Council itself.
- 2.2 The section is set specific collection targets for these income streams which are then included in the annual budget as part of the Council's core funding. Performance is measured through a comprehensive series of indicators which are reported to the area's management. Collection rates and arrears levels also are also reported as part of the Council's Key Performance Indicators.

2.3 Collection Rates

At present, Council Tax collection is marginally below target with NDR collection slightly above.

Percentage of Debit Collected (Accumulative)	April (%)	May (%)	June (%)	Q1 Target (%)
Council Tax	11.17	20.53	29.84	30.10
Non Domestic Rates	11.93	21.43	30.37	29.33

2.4 Property Statistics

	April	May	June
No of Council Tax Properties	23,273	23,273	23,274
No of Council Tax Direct Debits	17,383	17,391	17,442
No of Single Person Discounts	7,208	7,215	7,234
No of Businesses	1,446	1,448	1,444

No of Business in receipt of Small Business Rate Relief	640	649	653
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2.5 Recovery Statistics

To date in 2018/19 the section has sent out a total of 3,270 reminders for Council Tax payments and 198 to Business Rates accounts. Court action statistics are listed below.

	April	May	June
Council Tax			
No of Summons Issues	181	25	791
No of Liability Orders	74	13	558
No referred to Enforcement Agents	67	124	38
Business Rates			
No of Summons	1	17	13
No of Liability Orders	1	10	6

3. Benefits

3.1 The Benefits team administers a total caseload of around 3,100 claimants. New claims are processed against an average time target of 15 days.

	April	May	June	Total Q1
No of new claims received	121	92	140	353
Avg. time taken per claim (days)	17.71	14.09	16.49	16.28

At the end of quarter one the average time taken to process a new claim was 16.28 days, which is longer than the target time. It is however expected that this time will reduce over the year to the 15 day average.

Changes in circumstances are processed on against an average time target of 8 days

	April	May	June	Total Q1
No of changes received	1,190	1,005	907	3,102
Avg. time taken (days)	5.53	5.06	6.94	5.79

The Section also administers Discretionary Hardship Payments for both Housing Benefit and Council Tax Support.

	April	May	June
No of people in receipt (total)			
Discretionary Housing Payment	29	37	40
Discretionary CTS Scheme	15	20	25

4. Universal Credit

4.1 Overview

Universal Credit went live in Oadby and Wigston on 13 June 2018 replacing existing benefits (Job Seekers Allowance (Income Based), Employment Support Allowance (Income Related), Working Tax Credit and Child Tax credit and Housing Benefit) known as "legacy" benefits.

There are some exceptions such as claimants with 3 or more children who will continue to claim legacy benefits. Claimants in Temporary or Supported accommodation will claim Universal Credit for living costs but will claim housing benefit for help with their rent.

Universal Credit aims to get claimants work ready or increase the hours they work. It is paid monthly in arrears in one lump sum. Claimants need to claim online and budget to manage their bills. Support is available for customers to claim and/or to help with budgeting.

While Universal Credit only applies to new claims at the moment, it will ultimately replace "legacy" benefits with existing claims transferring to Universal Credit between January 2019 and 2023 (the DWP have not provided any specific dates or details).

Pension age claimants will not be affected and will continue to claim pension credit and/or housing benefit. If they are a couple with one partner of working age and the other partner of pensionable age they can choose to claim Pension Credit / Housing Benefit or claim Universal Credit.

Council Tax Support is not part of Universal Credit and must be claimed separately.

Social landlords (including Councils) in Universal Credit areas have found rent from Universal Credit claimants more difficult to collect and have experienced increases in rent arrears.

There has been a significant increase in demand at food banks in areas that are live with Universal Credit.

The information for Oadby and Wigston provided below relates to the period 13 June 2018 (when Universal Credit went live) to 31 July 2018 unless stated otherwise.

To oversee the implementation and ongoing operation of Universal Credit an implementation group was established at Oadby and Wigston. We also work closely with our partners at DWP and neighbouring Councils as part of a Universal Credit group.

4.2 **Support for Claimants**

At our Customer Service Centre we can provide customers with support to make a Universal Credit claim online and manage their online account.

Budgeting advice can be provided via referrals or customers contacting advice services directly at our drop in surgeries at our Customer Service Centre.

Take up of support to make a claim and receive budgeting advice has been low (in line with local and national experiences). We are working with DWP to help improve promotion and take up of these services.

The 3 public access computers at our Customer Service Centre are available for customers to "self-serve" and 6 customers have used these so far to make a claim and/or manage their on-line account.

The public access phone at our Customer Service Centre can be used by customers to call

the free Universal Credit helpline. So far 3 customers have used this facility.

Our website provides information on Universal Credit including links to making a claim and how to access support and advice. Up to 07 August 2018 there had been 374 page views.

An article was included in the summer edition of Letterbox issued in early June and a similar article will be included in the autumn edition.

Customers can contact us by phone, in person, by email or in writing for advice on Universal Credit. We have so far received approximately 160 enquiries, the majority of these being by phone to the Benefits team.

4.3 Rent Collection and Rent Arrears

At the moment 54% of OWBC's collectable annual rent is covered by Housing Benefit amounting to £2.6m, £1.45m of this being paid to working age claimants. Where Housing Benefit is paid it is credited to tenants' rent accounts each week, with Universal Credit help towards rent is paid direct to claimants monthly in arrears and is part of the one lump sum they receive which includes living costs. Tenants will then need to pay the rent to the council.

We have to take action to collect the rent rather than it being credited direct to rent accounts. This creates additional work and the rent becomes more difficult to collect.

As at 07 August 2018 there were 19 Council Tenants in receipt of Universal Credit with arrears totalling £13,600. Total rent arrears (not including former tenants) have increased by nearly £16,000 (as at 07 August 2018) since the end of June to a total of £168,900.

We have estimated that there could be as many as 200 Council tenants (that would previously have claimed HB) on Universal Credit by 31 March 2019 meaning approx. £700K annual rent would be collectable rather than being claimed as Housing Benefit and credited to rent accounts. (Please note this is a best estimate and it is impossible to be exact).

To meet this challenge has required a review of existing processes and resources to improve tenancy engagement and support and improve the rent collection process. We are also recruiting for an Income Collection Officer to support this activity.

4.4 Council Tax Support (CTS)

CTS is not part of Universal Credit and must be claimed separately. Councils where Universal Credit is live have experienced a fall in take up and/or delays in claiming which can cause hardship, difficulty in collection and an increase in arrears of Council Tax .

Early signs at Oadby and Wigston indicate a similar experience. To address this we have amended our online claim form, email customers to invite a claim and follow this up with a telephone call or email if no claim is made.

A common misunderstanding is that CTS is included in Universal Credit, therefore our officers give clear advice that CTS must be claimed separately and we have arranged with Job Centres to give similar advice.

When a customer claims Universal Credit and indicates they will be claiming CTS the DWP will send us notifications when Universal Credit is claimed, when it is paid and when there are any changes in circumstances. We received 202 of these notifications for the period 13 June 2018 to 31 July 2018.

4.5 Housing Benefit cases moving to Universal Credit

When an existing housing benefit claimant makes a claim for Universal Credit we receive a "HB stop notice" which requires us to cancel their housing benefit as support for housing costs will be paid in their Universal Credit.

To help claimants transition to Universal Credit (where they are paid a month in arrears) we award an additional 2 weeks housing benefit which is funded by subsidy from Central Government.

We have received 113 of these notifications for the period 13 June 2018 to 31 July 2018.

All legacy benefits (including Housing Benefit) that do not move to Universal Credit through the above process will transfer to Universal Credit between January 2019 and 2023 (the DWP have not provided any specific dates or details). This process will be known as "managed migration".

5. Initiatives

- 5.1 The section is currently looking at ways to improve the service to its customers while also improving collection rates. Extra performance targets will be set relating to new account set up and there will be a new drive to increase the number of customers currently paying by direct debit. This may include the addition of an extra direct debit run in the month over and above the two currently offered.
- 5.2 The section is also currently working with the transformation team to expand the offer of an 'Allpay' type payment scheme to Council Tax payers. This type of payment method has been piloted to Housing tenants in 2017/18 with some success and will allow customers to pay at numerous points around the Borough such as post offices and newsagents.