

**Committee: Performance Select Committee**

**Agenda Item**

**Date: 16 November 2010**

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**Title: Revenue collection and Housing Benefit payments**

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### Summary

1. This report sets out the half year position for the collection of Council Tax, Business Rates and also the payment of Housing Benefits.

### Recommendations

2. Members note progress to date.

### Financial Implications

3. None. There are no costs associated with the recommendations.

### Background Papers

4. None

### Impact

- 5.

Communication/Consultation	No issues relevant to this report.
Community Safety	No issues relevant to this report.
Equalities	Key processes are impact assessed.
Health and Safety	No issues relevant to this report.
Human Rights/Legal Implications	No issues relevant to this report.
Sustainability	No issues relevant to this report.
Ward-specific impacts	The services impact on all wards.
Workforce/Workplace	No issues relevant to this report

### Situation

6. **Council Tax:-** Uttlesford Council collects council tax from approximately 32,100 properties in the district. As well as collecting tax to help provide district council services, tax is collected on behalf of the Police Authority, the Fire Authority, Essex County Council and the various town and parish councils in the district. In 2010/11 the total amount due for collection is approximately £49,000,000. Comparative data

on the percentage of council tax actually collected and the various stages of recovery action is set out below:

	<b>2010/11</b>	<b>2009/10</b>
<b>Percentage of council tax collected at the end of September</b>	59.04%	58.62%
<b>Reminders issued to the end of September</b>	8,133	7,835
<b>Summons issued to the end of September</b>	1,568	1,721

7. **Business Rates:-** Uttlesford Council collects business rates from approximately 2,600 premises in the district. Business rates are collected on behalf of central government and paid into a national pool, which is then redistributed to all local authorities based upon a formula. The total amount due for collection is approximately £35,000,000. The Council is budgeted to receive approximately £3,600,000 from the national pool. Comparative data on the percentage of business rates actually collected and the various stages of recovery action is set out below:

	<b>2010/11</b>	<b>2009/10</b>
<b>Percentage of business rates collected at the end of September</b>	60.6%	60.0%
<b>Reminders issued to the end of September</b>	593	691
<b>Summons issued to the end of September</b>	154	141

Uttlesford has traditionally benefited from relatively high collection rates, even during periods of economic uncertainty. This trend looks set to continue during 2010/11 and outturn collection rates for council tax and business rates will be reported to the Performance Select Committee in the usual way.

8. **Housing Benefits:-** Uttlesford Council expects to pay out approximately £18,340,000 in Housing and Council Tax Benefit during 2010/11. The council is reimbursed by the Department for Work and Pensions, subject to audit, and will also receive a grant of approximately £378,000 to cover the cost of local administration.
9. The number of benefit claimants in Uttlesford has historically been relatively low. However, the number of claims in payment has risen relatively steeply over the past few years, and is slowly continuing to rise during the first half of 2010/11. Comparative data on the number of claims in payment is set out below:

	<b>30/09/10</b>	<b>31/03/10</b>	<b>31/03/09</b>	<b>31/03/08</b>
<b>Number of benefit claims in payment</b>	4,375	4,302	3,942	3,479

10. Claim processing performance during 2010/11 has improved despite the increase in workload. This is due to a combination of process improvement and staff becoming more experienced. Another council in Essex recently visited the service to learn how things work and how performance has been improved. Comparative claim processing data is set out below:

	30/09/10	30/09/09	30/09/08
<b>Time taken to process new claims and change events (days)</b>	7.4	11.4	15.9

11. The challenge for the service is to improve the accuracy of claim processing. Although modest long term improvement has been achieved as a result of investing in quality control, current performance remains slightly below target. Frequent changes in legislation, the complexity of the benefits system and relatively high staff turnover are quoted as significant contributing factors to this position. Processing accuracy data is set out below:

	30/09/10	30/09/09	30/09/08
<b>Accuracy of claim processing (%)</b>	92.0	92.3	84.6

## Risk Analysis

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Risk	Likelihood	Impact	Mitigating actions
The collection of Council Tax and Business Rates is below target.	2 - The Council has a long term history of good collection rates.	3 – Low collection rates will have an adverse effect on public finances and affect the council's reputation.	Established systems and procedures, experienced and knowledgeable staff.
The processing and payment of Housing Benefits is not timely, claim accuracy is poor.	2 – Positive long term trend of timely processing and payment, claim accuracy can still be improved.	3 – Adverse effect on the Council's finances and reputation. Potential for claimant hardship.	As above.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.