

East Herts Council Report Template

East Herts Council and Stevenage Borough Council Joint Revenues and Benefits Committee

Date of Meeting: 1 July 2021

Report by: Geoff Williamson, Deputy Leader and Executive Member for Financial Sustainability

Report title: Annual update

Ward(s) affected: All

Summary

To report to committee the position in the following areas:

- Performance reporting
- Other challenges
- Budget outturn

RECOMMENDATION FOR EAST HERTS COUNCIL AND STEVENAGE BOROUGH COUNCIL JOINT REVENUES AND BENEFITS COMMITTEE

That the report be noted.

1.0 BACKGROUND

1.1 The shared service has been in operation since August 2011.

1.2 This report includes an overview of performance in 2020/21 of the Revenues and Benefits Shared Service and details future objectives and challenges.

2.0 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

2.1 Housing Benefit

2.1.1 **Housing Benefit processing. (N181)** - This performance indicator measures the average processing time for new claims and changes in circumstances.

2.1.2 Stevenage N181 was 4.96 days and East Herts N181 was 4.63 days which was the best result for each Council since at least 2009/10.

2.1.3 The objective of minimising processing time is twofold. Firstly to provide a good service to our customers, but also to avoid any subsidy penalties incurred if processing delays create overpayments for the customer. These are called ‘admin delays’, and when combined with any LA error overpayments can result in the loss of significant subsidy. If the total value is less than 0.48% of total eligible expenditure, 100% subsidy can be claimed. If between 0.48% and 0.54% the level of subsidy falls to 40%, and anything above 0.54% would mean a loss of all subsidy on these costs. These are monitored closely throughout the year. For 2012/21 pre audit the figures are demonstrated below, and demonstrate that 100% subsidy (pre audit) will be claimed.

Table 1 LA error and admin delay (pre audit)

| LA Error/Admin delay | SBC | EHC |
|----------------------|--------------|--------------|
| Eligible Expenditure | £ 23,085,092 | £ 25,939,579 |
| 0.48% | £ 110,808 | £ 124,510 |
| 0.54% | £ 124,659 | £ 140,074 |
| Actual | £ 46,894 | £ 38,662 |

2.1.4 The N181 core indicator represents a significant achievement for the shared service. The level of work received by the

Housing Benefit team increased in 2020/21 attributed to the increases in changes in universal credit claims on Council Tax support entitlement.

2.1.5 The overall level of HB post received in 2020/21 increased by over 24k items, an increase of 21.4%

2.1.6 The total post received was 138,228 items. (EHC 70,608 and SBC 67,620). The following graphs demonstrate the changes.

Table 2: SBC Housing Benefit work received.

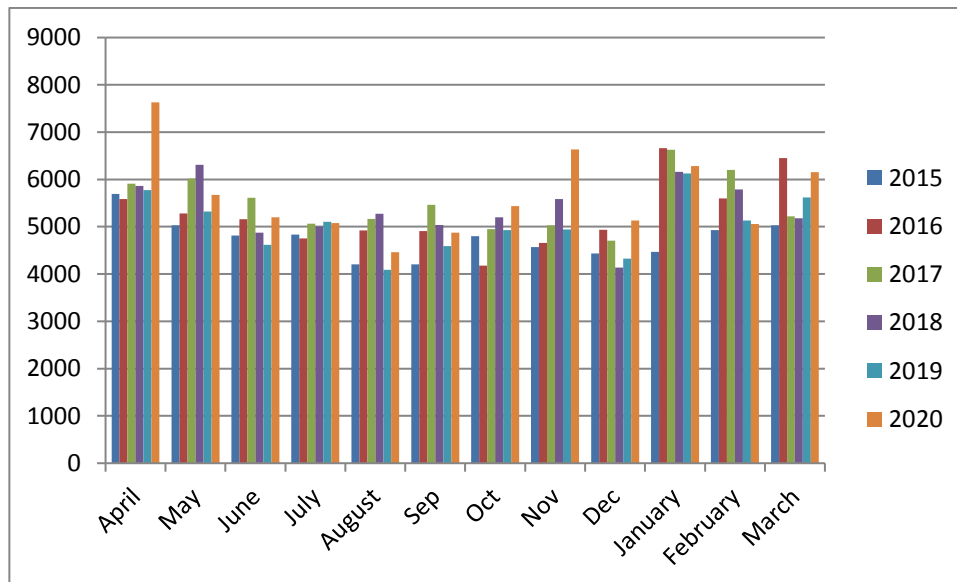
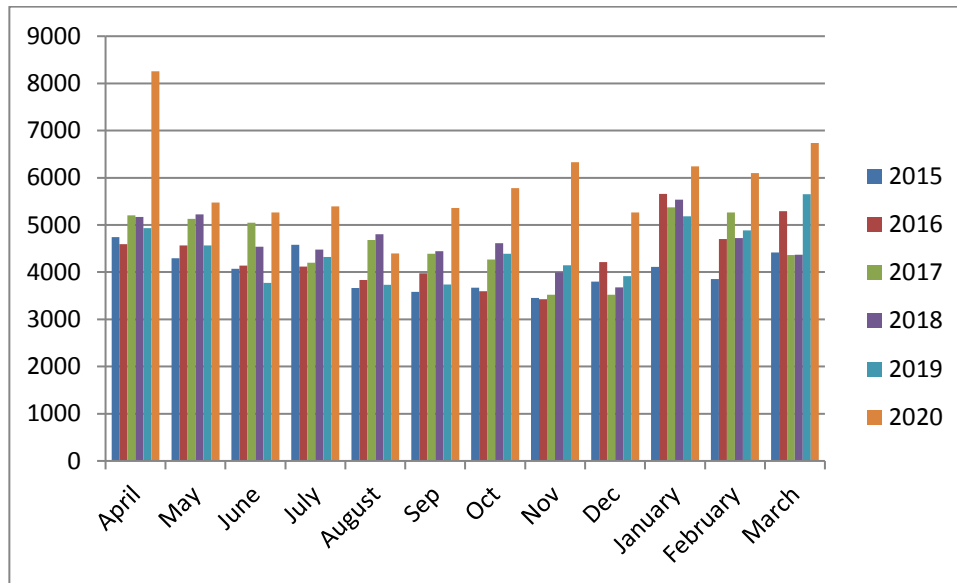


Table 3: EHC Housing Benefit work received.

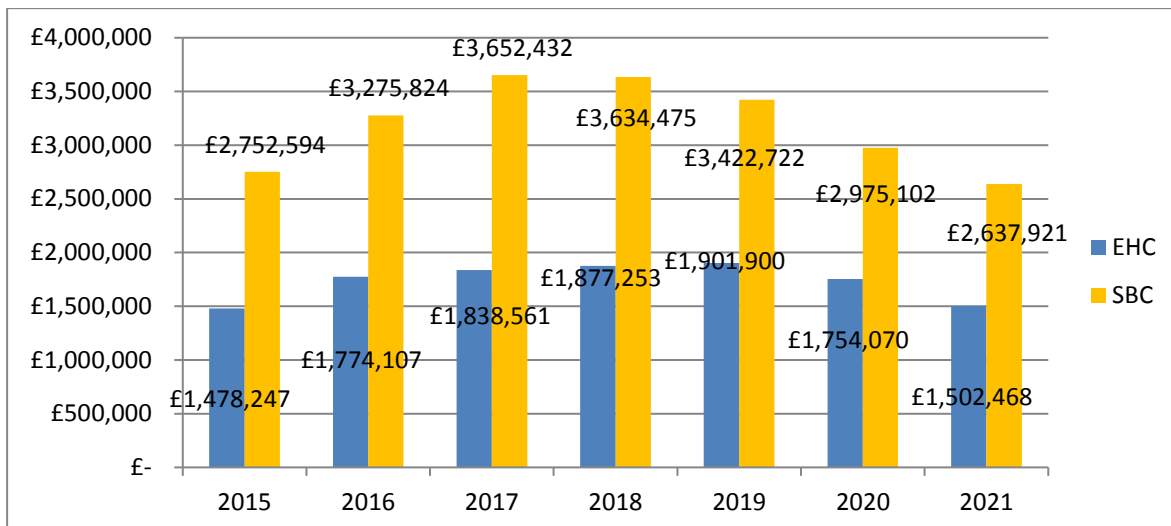


2.1.7 Post received includes new claims as well as change in circumstances. These include things like changes in earnings, tax credits, household composition etc. In 2020/21 each SBC claim experienced on average 15.72 changes per claim, and EHC 17.13 changes per claim, a significant increase on 2019/20. (SBC 11.7, EHC 10.9)

2.1.8 **Housing Benefit subsidy-** The level of Housing Benefit claimed in subsidy reached £49.9m in 2020/21 (subject to audit), less than in 2019/20 (£ 54.7m) and reflecting the lower caseload, the restrictions on benefit entitlements, and universal credit.

2.1.9 **HB Overpayments-**With the level of awards outlined above the value/level of overpayments is a constant pressure.

Table 4: Overpayments outstanding at 1 April each year

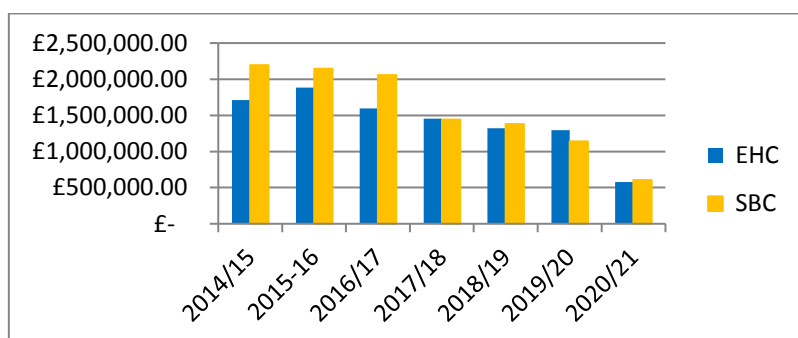


2.1.10 For the fourth year running the closing value of outstanding debts is reducing. East Herts has now had two consecutive years of reduction, with Stevenage seeing reductions over all four years.

2.1.11 There is a significant difference in the level of outstanding debt at each LA. Looking at the value of debt raised in the seven years (below) demonstrates these differences in new debts raised are diminishing, but the difference in historical outstanding debt remains. (Table 4)

The historic variance can be attributed to a number of factors including the impact of the DWP's anti-fraud and error drives (see 2.3 below).

Table 5: Debt raised



2.1.12 Looking at the debt outstanding by the date invoices were raised shows that this differential has been in place for many

years.

Table 6: Debt outstanding by number of invoices

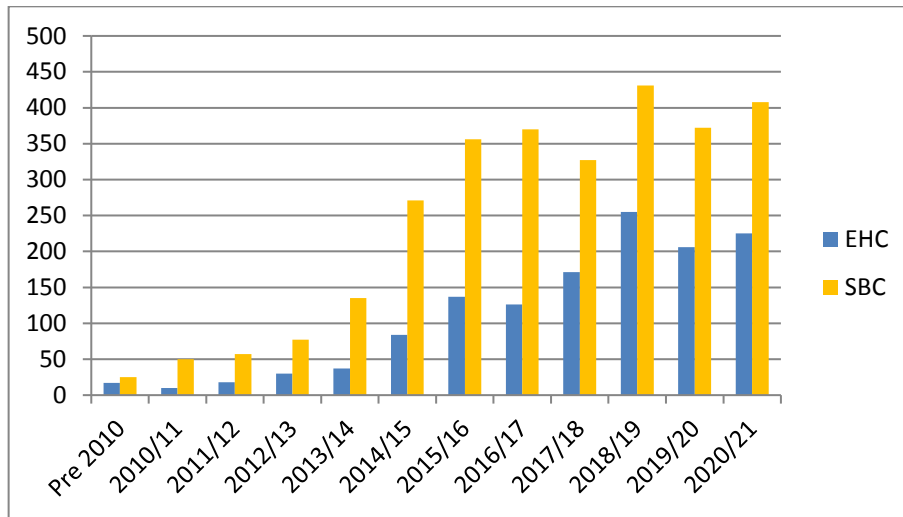
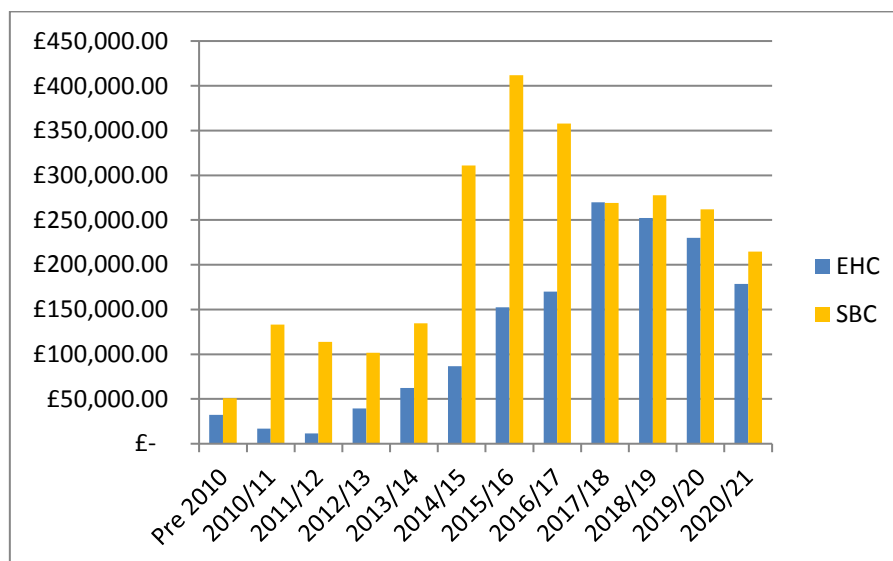


Table 7: Debt outstanding by value based on date invoice is raised.



2.1.13 In theory the Council should be able to claim 40% in subsidy for each overpayment, and then recover 100% of the debt. The subsidy plus recovery should cover the costs of the initial payment of benefit, costs of collection and bad debt provision. However, less than 15% (12.57% SBC and 17.33% EHC) are live claims, enabling recovery to be made from ongoing entitlement. The more significant proportion of debt has to be

actively chased and monitored, and is resource intensive.

2.1.14 The rates of recovery for those who remain in receipt of Housing Benefit are capped and accordingly many debts will not be repaid for significant periods. The focus is to maximise the number of debts with active recovery action in place recognising the timeframes for full recovery.

2.1.15 Use of HMRC data via the DWP to trace debtors and secure attachments to earnings continues. However, even the DWP/HMRC route requires considerable resources to manage, and customers are allowed to offer arrangements outside of attachment to earnings which again need careful monitoring.

Table 8: Overview of debt status at 31 March 2021

| ALL at 31.3.21 | Stevenage | | | | East Herts | |
|------------------|-----------|--------|---------------|--------|------------|----------------|
| | % | Number | Value | % | Number | Value |
| Total | | 2879 | £2,637,921.18 | | 1316 | £ 1,502,467.53 |
| LIVE | 12.57% | 362 | £ 408,887.99 | 17.33% | 228 | £ 238,166.14 |
| DORMANT | 87.43% | 2517 | £2,229,033.19 | 82.67% | 1,088 | £ 1,264,301.39 |
| LIVE AND CT | | 197 | £ 289,135.21 | | | |
| LIVE & PT | | 165 | £ 119,752.78 | | | |
| LIVE & FRAUD | 4.97% | 18 | £ 64,495.65 | 6.58% | 15 | £ 28,372.97 |
| LIVE/FRAUD CT | | 15 | £ 52,013.65 | | | |
| LIVE /FRAUD PT | | 3 | £ 12,482.00 | | | |
| DORMANT CT | | 1354 | £1,011,668.07 | | | |
| DORMANT PT | | 1163 | £1,217,365.12 | | | |
| DORMANT FRAUD | 5.80% | 146 | £ 466,308.33 | 8.64% | 113 | 321,542 |
| DORMANT/FRAUD CT | | 77 | £ 215,379.15 | | | |
| DORMANT FRAUD PT | | 69 | £ 250,929.18 | | | |

Note: Dormant means that the debtor is currently not in receipt of Housing Benefit
 CT = Council Tenant
 PT = Private tenant

2.1.16 The maximum rates of recovery set by the DWP, are often

reduced following negotiations with customers and their representatives where there are hardship issues.

2.1.17 There are a number of significant risks in relation to the collectability of these overpayments and they include:

- The majority are not in receipt of Housing Benefit following the overpayment being accrued, and recovery is therefore more complex.
- The transfer of working age claims to Universal Credit continues to reduce further the shared service’s ability to recover from ongoing benefit deduction.

2.1.18 The following tables demonstrate the overpayment trends in recent years. It is worth noting that both Councils, are recovering more than is being raised, and accordingly the debt outstanding is reducing.

Table 9: Overpayments trends EHC

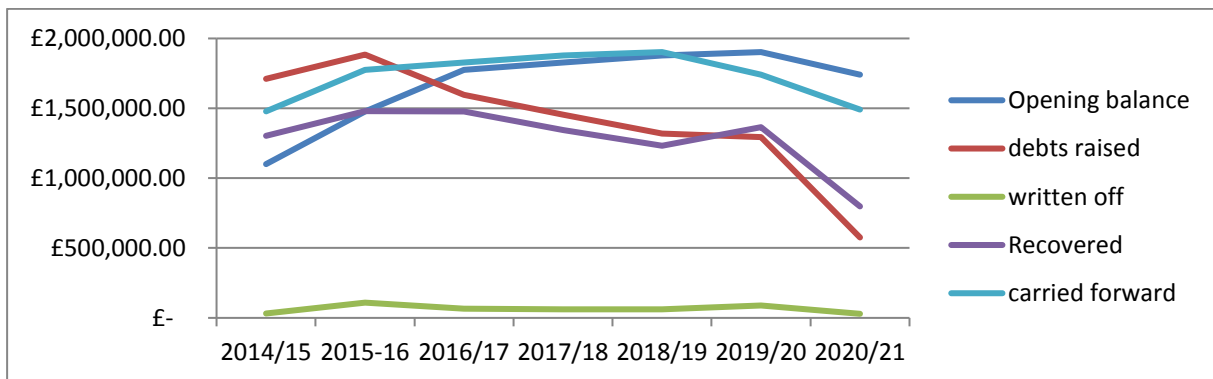
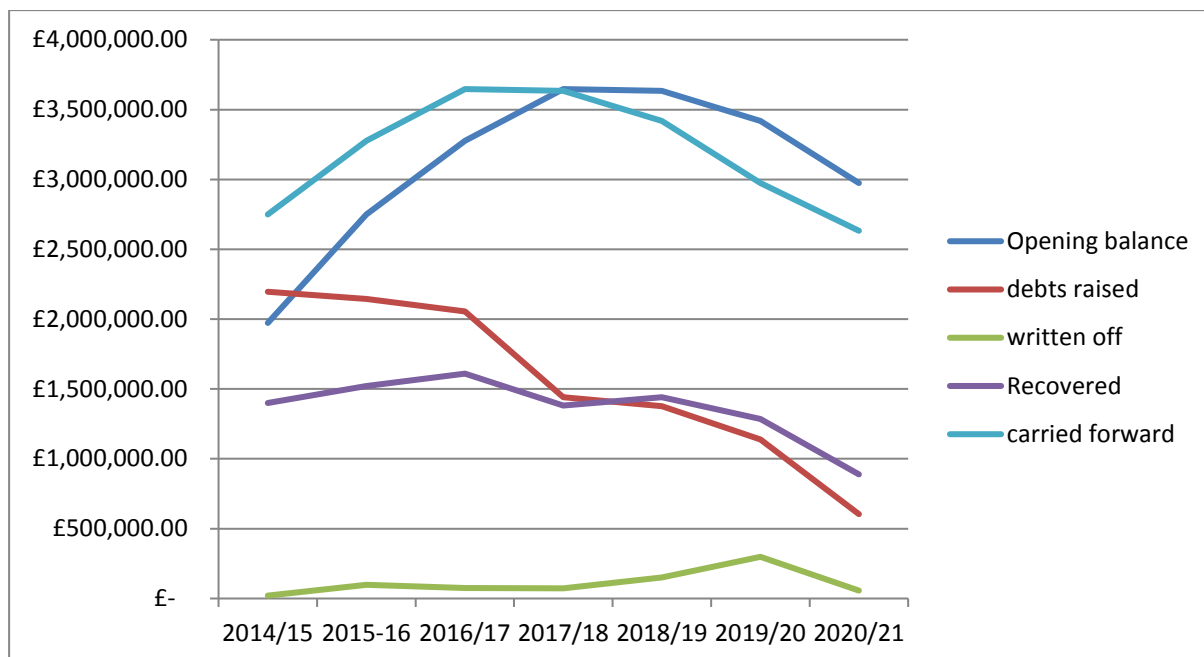


Table 10: Overpayment trends SBC



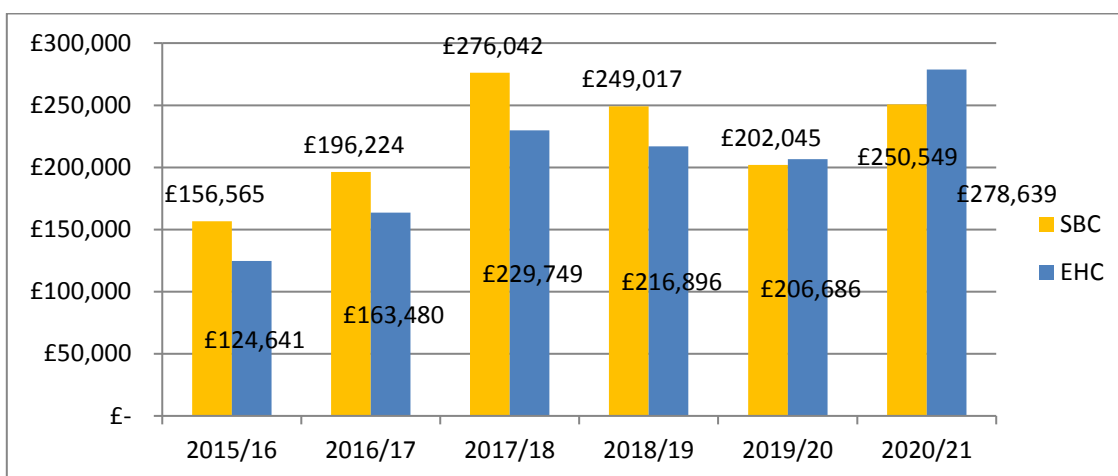
2.1.19 Further to paragraph 2.1.11 above bad debt provisions are also made on the balances outstanding and these represent 92.5% at Stevenage and 51% at East Herts. The less provision has to be made, the less the burden on the revenue budgets.

2.1.20 As a result of the reducing level of debt outstanding both councils have been able to reduce the bad debt provisions this year (EHC £90k and SBC £223k) returning this to the revenue account for other purposes.

2.1.21 **Discretionary Housing Payments (DHP)** - The amount of DHP grant from the DWP received each year changes, reflecting the priorities that it considers need supporting. There is no restriction on how much of the total grant is spent on each of these priorities. The award for 2020/21 reflected an increase in the Governments overall grant to support private tenants, which is why the EHC allocation exceeded that for SBC. There was an increasing pressure on the funds from customers on universal credit (housing costs) to apply for DHP, and whilst enabling more support to be offered to customers this also puts additional administrative pressure on the officers processing these awards.

The 2021/22 allocations are being made in two tranches, an initial allocation and a mid-year allocation based on up to date case load data. What is clear however, is that the DWP's available funds (£140m) are much reduced on last years (£179.5m), and this will inevitably create pressure and challenges for customers and officers alike.

Table 11 Changes in levels of DHP grants from Government



2.1.22 The majority of successful awards in 2020/21 reflected pressure on households affected by the spare room subsidy restriction, and those in receipt of universal credit. This pattern is expected to continue.

Table 12: DHP applications

| 2020/21 | SBC | EHC |
|---------------------------------|------------|------------|
| Received | 502 | 566 |
| Rejected | 109 | 181 |
| Benefit Cap | 25 | 48 |
| Under occupation subsidy | 173 | 119 |
| Universal credit | 145 | 141 |

2.1.23 **Housing Benefit caseload** - The following tables demonstrate the changes in Housing Benefit caseload. The number of claimants varies daily with changes in customers' employment

status. These demonstrate a reduction in 2020/21 of 11% for each Council.

Table 13: SBC Housing Benefit caseload movements

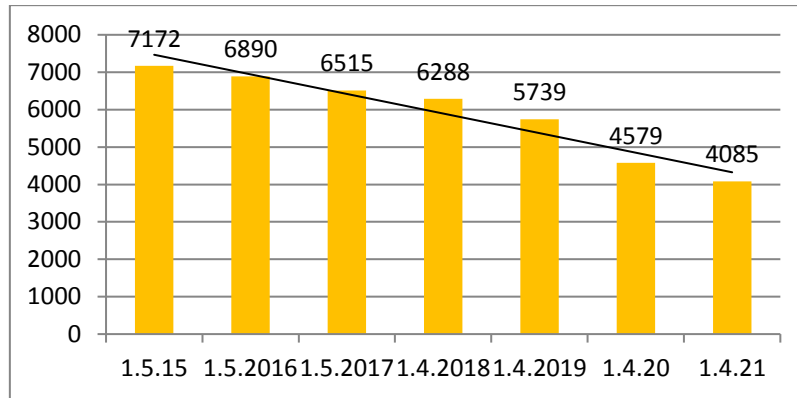
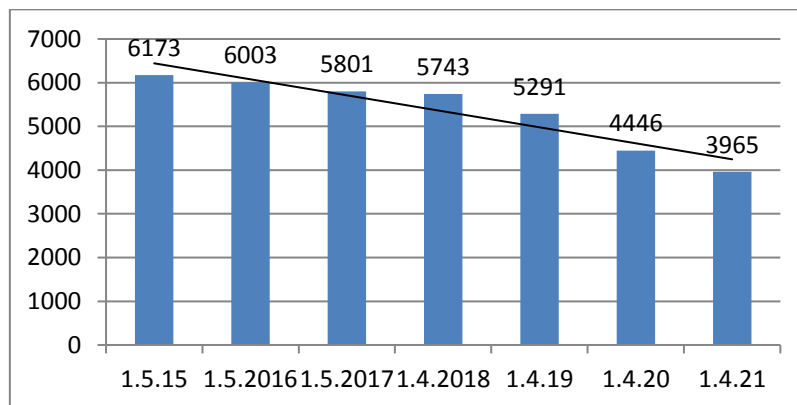


Table 14: EHC Housing Benefit caseload movements



2.1.24 Test and Trace : The Government announced funding to support those who were required to self- isolate during the pandemic with a £500 grant. This is in the form of a mandatory scheme for those in receipt of a qualifying benefit as well as a discretionary scheme to be determined by the local authority. The mandatory scheme has been extended and expanded since its introduction.

2.1.25 This has been particularly difficult to administer due to a number of factors, including customer’s expectations of entitlement, and their ability/willingness to provide the necessary supporting information. The number of awards

made compared to those who have applied is significant.

2.1.26 The discretionary scheme was also revised to reflect additional funding being made available. The table below summarises the position as at the date of writing (May 2021).

Table 15

| | EHC | SBC |
|-----------------------------|------------|------------|
| Received | 686 | 669 |
| Rejected/Defective | 472 | 486 |
| Pending | 2 | 2 |
| Paid – Standard | 169 | 144 |
| Paid - Discretionary | 43 | 37 |

2.2 Council Tax Support

2.2.1 The overall caseload has increased during 2020/21, as was expected as a result of the impact of the pandemic. However, the extension of Government furlough payments and other business support measures may have delayed or mitigated the true impact which may not materialise until later in 2021/22. The Government has made payments to Local Authorities and their preceptors to support the pressure that this additional caseload brings to the collection fund. East Herts has received £161,762 and Stevenage £118,919

The Government advise;

The grant is being provided to local authorities in recognition of the anticipated extra cost to them of local council tax support at a time when more households are facing financial difficulties as a result of the pandemic.

2.2.2 The elderly caseload has reduced slightly which mitigates the increase in the working age caseload. Overall SBC caseload increased by 0.73%, and East Herts by 3.9%.

Table 16: SBC CTS Caseload

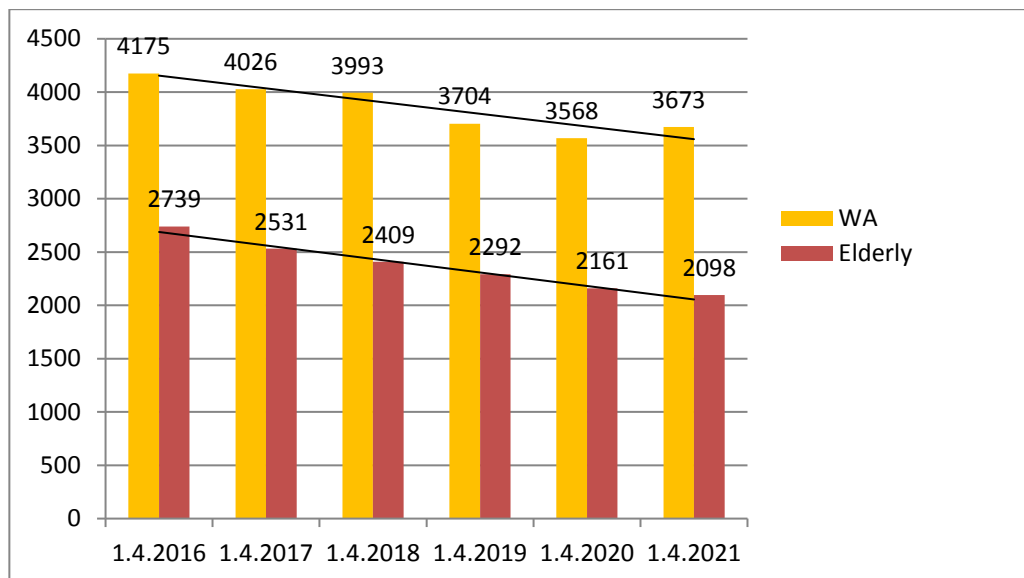
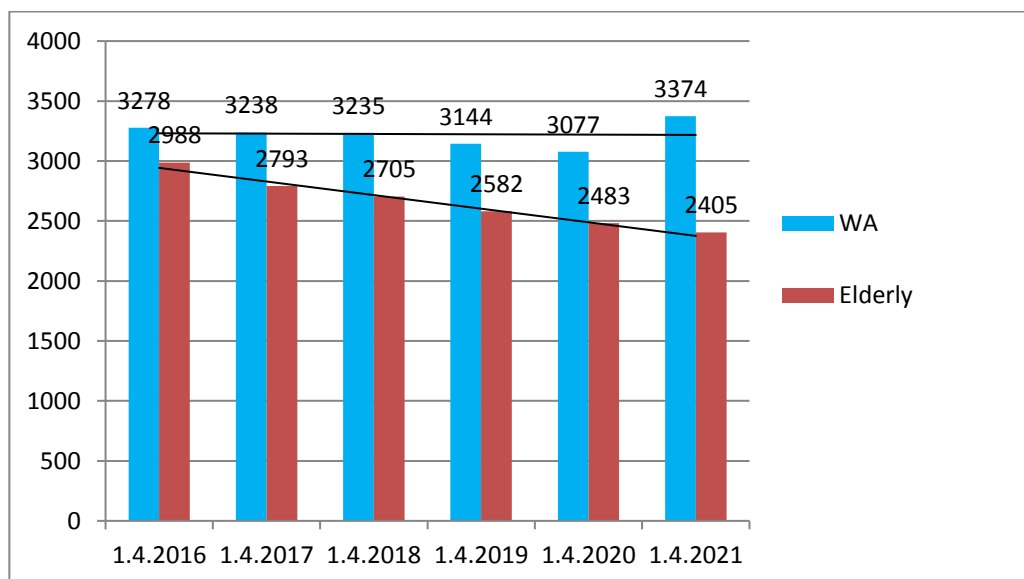


Table 17: EHC CTS Caseload



2.2.3 The collection of Council Tax Liability for CTS cases is more complex. Variations in awards generate new bills and revise collection arrangements.

2.2.4 Collection rates for CTS are calculated on live claims only, and accordingly are indicative of the overall position. The in-year collection rates for working age live CTS claims are shown

below, compared with the overall collection rate and comparative positions in recent years.

2.2.5 All WA CTS reflects the overall working age CTS collection rate for live CTS claims, and MAX WA CTS, reflects the collection rate for that subgroup who only pay the 8.5% liability. 2020/21 saw a reduction in the collection of CTS case council tax, this mirrors the downward pressure on the main Council Tax collection rates.

2.2.6 The Government introduced and funded by grant a CTS hardship scheme for 2020/21 which enabled up to £150.00 to be allocated to each working age CTS claim. This was capped by their outstanding liability. Unspent funds from this grant have been rolled into 2021/22 and are being used to support hardship applications identified through Council Tax and DHP applications.

Table 18: Working Age CTS collection rates

| EHC | | All WA | Max | General |
|------------|--|--------|--------|---------|
| | | CTS | WA CTS | |
| 2015/16 | | 80.00% | 71.40% | 98.40% |
| 2016/17 | | 79.95% | 73.18% | 98.40% |
| 2017/18 | | 78.66% | 70.49% | 98.30% |
| 2018/19 | | 78.61% | 73.70% | 98.10% |
| 2019/20 | | 77.95% | 72.42% | 97.80% |
| 2020/21 | | 78.91% | 70.13% | 97.10% |
| SBC | | All WA | Max | General |
| | | CTS | WA CTS | |
| 2015/16 | | 73.13% | 67.35% | 96.30% |
| 2016/17 | | 76.50% | 73.69% | 96.60% |
| 2017/18 | | 75.39% | 71.27% | 96.40% |
| 2018/19 | | 76.69% | 74.11% | 96.20% |
| 2019/20 | | 74.04% | 69.67% | 96.00% |
| 2020/21 | | 74.24% | 71.81% | 95.10% |

2.2.7 The level of arrears from this group are consequently

proportionately higher per household than from that not in receipt of CTS, and accordingly collection is more challenging.

- 2.2.8 Consideration has been given in recent years to changing the CTS scheme. This has included changing various aspects of the scheme, and more recently whether a banded scheme would maintain the principles originally agreed but make the scheme simpler to understand and administer. The overriding objective has been to avoid any unintended consequences from changing the scheme, and members will receive a separate report on progress and options for 2022 shortly.

2.3 Verification of Earnings and Pensions (VEP)

- 2.3.1 The government's anti-fraud agenda continues to impact on the workload of the service. Data matching is received in various forms, including the National Fraud initiative, Housing Benefit Matching Service, Self-Employment Income Support Scheme and Housing Benefit Awards Accuracy initiative. The target groups for these are high risk tenancies i.e. temporary (hostel type); earned income and self-employed.
- 2.3.2 VEP provides the service with access to earnings and pensions details on-line and enables verification. This latest initiative is developing so that every time a customer has a change in earnings etc. the service will receive an 'alert' and be required to amend the customers claim.
- 2.3.3 Once again funding has been received to support LA's in obtaining resources to carry out VEP work. For 2020/21 this amounted to £56.1k, however for 2021/22 this is reduced to £53.6k. This funding is reducing each year.
- 2.3.4 This activity inevitably identifies overpayments of Housing Benefit and Council Tax support which need to be recovered. (See 2.1.97 above)

2.3.5 The DWP are also requiring Councils to do ad hoc targeted work when they consider there is a high risk of fraud and error

2.4 Universal Credit

2.4.1 Universal Credit went 'full service' from October 2018 for Stevenage and East Herts residents. This means that with only a few exceptions all new claims for housing costs support for working age customers will go to UC, and customers experiencing a relevant change in circumstances will transfer from HB to UC. Bulk transfer of the remaining working age HB cases to UC has not yet been scheduled by the DWP, and it has been some considerable time since this was last mentioned. This level of uncertainty impacts on service design, resources and future planning for LA's.

2.4.2 There are still some working age client groups who will not move onto universal credit, including those in temporary, emergency and supported accommodation. There remains no indication of any scheme for pensioners who will until further notice remain eligible for Housing Benefit.

2.5 Council Tax.

2.5.1 The performance measure looks at the proportion of the current years liability collected in that year. For 2020/21 Stevenage collection rate was 95.1%, and East Herts 97.1%. SBC 0.9% lower than 2019/20 and EHC 0.7% less, consideration of this is discussed below.

2.5.2 In 2020/21 the combined collectable debit for EHC and SBC increased by over £8.1m. (EHC £5.5m and SBC £2.6m). For Stevenage the collectable debit was £50.8m and EHC £115m. Customers are now experiencing ongoing increases in council tax after a few years of minimal increases. The additional adult

social care charge levied by HCC adds to the cost of this tax for each household.

2.5.3 The number of actual properties in the tax base also increased by 759 between 1.4.20 and 1.4.21. One pressure is that the Valuation office Agency who band the properties are still taking in the region of 3 months to advise of the correct band on which the service can bill. We are not permitted to chase them until 128 days have elapsed. Occupiers of new properties are often waiting 4 months or more before getting a bill, and accordingly there are challenges in getting these accounts up to date within a financial year.

2.5.4. Analysis of multiple year indebtedness is carried out to see if there are issues with mounting multi-year debts compared with limitations on attachments to earnings and benefits recovery rates.

2.5.5 Whilst in year collection is the prime performance indicator, considerable work goes into collecting prior year arrears. The table below demonstrates the position for each Council.

Table 19: Stevenage Council Tax arrears

| SBC | 31.3.21 | 31.3.20 | prior year change |
|---------------------|-------------|-------------|--------------------|
| Pre 2003 | £ 569 | £ 699 | £ 130 |
| 2003-2007 | £ 46,463 | £ 57,831 | £ 11,368 |
| 2008-2012 | £ 261,082 | £ 316,413 | £ 55,331 |
| 2013-2017 | £ 1,161,140 | £ 1,383,864 | £ 222,723 |
| 2018-2020 | £ 1,790,491 | £ 2,745,493 | |
| | | | |
| Pre 1.4.2020 | £ 3,259,745 | £ 4,504,299 | £ 1,244,555 |
| .2020/21 | £ 2,340,897 | | |
| at 31.3.2021 | £ 5,600,642 | £ 4,504,299 | £ 1,096,342 |

Before adding the 2020/21 arrears, £1,244,555 of prior year debt has been recovered.

Table 20: East Herts Council Tax arrears

| EHC | 31.3.21 | 31.3.20 | prior year change |
|---------------------|-------------|-------------|--------------------|
| Pre 2003 | £ 4,643 | £ 699 | £ 626 |
| 2003-2007 | £ 93,641 | £ 57,831 | £ 6,730 |
| 2008-2012 | £ 241,368 | £ 316,413 | £ 45,780 |
| 2013-2017 | £ 1,059,782 | £ 1,383,864 | £ 219,870 |
| 2018-2020 | £ 1,830,921 | £ 2,745,493 | |
| | | | |
| Pre 1.4.2020 | £ 3,230,355 | £ 4,504,299 | £ 1,447,057 |
| .2020/21 | £ 2,878,442 | | |
| at 31.3.2021 | £ 6,108,797 | £ 4,677,413 | £ 1,431,384 |

Before adding the 2020/21 arrears, £1,447,057 of prior year debt has been recovered.

2.5.6 The tables demonstrate that significant inroads into prior year arrears were achieved in 2020/21, and whilst some of these were deemed non recoverable and written off, the overall level of pre 2020/21 debt was reduced.

2.5.7 The pandemic has had a significant impact on the services ability to recover debts since March 2020. The Courts closed for a period which prevented any summons being raised, and Enforcement Agents were significantly restricted in their normal range of activities. Whilst the courts have now reopened there are new limitations on accessibility etc. which is restricting further the ability to recommence recovery procedures in the usual way. There have also been considerable pressures on staff as many Council Tax officers have supported the distribution of the many Business Rates grant schemes (see 2.7.7) below.

2.5.8 The service has sought to support customers through this unprecedented period by rescheduling payments, allowing increased flexibility and deferring arrangements. Directing customers to support agencies, government funding schemes and awareness of hardship support has also been achieved.

2.5.9 Both Councils applied the premium to properties which have been empty for more than two years. EHC increased this to 100% premium from 1 April 2020, whilst SBC retained the premium at 50%. At 31.3.21 SBC charged the premium on 75 properties and EHC 167.

2.5.10 The service also carried out an in-house review of empty homes, identifying 219 (SBC 85, and 134 EHC) which were in fact occupied. The review was carried out in house and a share of the costs, in proportion to the New Homes Bonus award was recharged to Herts County Council (20%). The review also increased the number of properties on which New Homes Bonus would be eligible.

2.5.11 The service in conjunction with Capacity Grid carried out a review of recipients of Single Person Discounts. Almost 31.5k properties were screened to confirm entitlement. (EHC 19k, SBC 12.5). Those cases which were of high risk were then sent letters to complete an online review form.

Table 21: SPD removals and penalties

| SPD | Stevenage | East Herts |
|---------|-----------|------------|
| Removed | 273 | 258 |

2.6 Business Rates

2.6.1 The performance measure looks at the proportion of the current years liability collected in that year. Last year we reported the highest collection rates for many years, however unsurprisingly the pandemic has had an impact on these for 2020/21. Stevenage collection rate was 97.78% (down 1.09% on 2019/20), and East Herts 95.42, (down 3.22%).

2.6.2 The tables below shows some of the headline values at

31.3.2021

Table 22: Business Rates liabilities and reliefs

| | SBC | EHC |
|--|--------------|--------------|
| Gross rates | £ 51,065,878 | £ 57,283,802 |
| Transitional reliefs | -£ 1,129,640 | £ 135,022 |
| Mandatory relief | £ 4,780,345 | £ 12,659,931 |
| Discretionary relief | £ 154,075 | £ 230,092 |
| Government funded specific relief | £ 21,356,227 | £ 21,114,964 |
| Net yield to collect | £ 25,904,870 | £ 23,143,793 |

Table 23: Mandatory reliefs granted

| Mandatory Relief | Explanation | SBC 2020/21 | EHC 2020/21 |
|---------------------------------|--|--------------|-------------|
| Empty (sec 45) | A Mandatory Relief applied to properties which are empty – 3 months for Shop and Offices etc. and 6 months for Industrial type properties | £ 1,082,322 | £ 1,707,839 |
| Small Business Additional yield | The additional amount paid by any business not eligible for Small Business Rate Relief (i.e. they pay the higher multiplier) | -£ 1,074,134 | -£ 898,538 |
| Small Business rates relief | A Mandatory Relief for Small Businesses under £12,000 rateable value | £ 2,201,095 | £ 6,730,366 |
| Charitable (Sec 43(5)) | A Mandatory Relief where the organisation is a charity or would be considered to be a charity | £ 2,566,556 | £ 4,994,261 |
| Sports Clubs (sec 43(5)) | A Mandatory Relief (43(5)) for registered Community Amateur Sport Clubs | £ 4,506 | £ 86,650 |
| Village Shops | A Mandatory relief to a Post Office or the only General Store, Pub or Petrol Station in a Rural Settlement with a population not exceeding 3,000 | N/A | £ 39,353 |

2.6.3 In addition to the collection of current year liabilities the Business Rates team continue to focus on old year debts. Many of these accrued prior to the localisation of business rates when the impact of non-collection was less significant than currently. This year despite the pandemic a further £100k was recovered. The closure of courts, restrictions on enforcement agent's activities and the unprecedented issues arising from the situation is clearly reflected in this low level of recovery.

2.6.4 The position can be remedied as and when the economic situation and workload pressures return to pre Covid levels.

Table 24 Changes in prior year arrears.

| 31.3.2021 | East Herts | Stevenage | Total |
|---|-------------------|------------------|--------------------|
| Opening balance of <i>all years</i> arrears at 1.4.2020 | £ 1,476,560 | £ 770,102 | £ 2,246,662 |
| closing balance at 31.3.21 | £ 1,449,186 | £ 696,913 | £ 2,146,099 |
| Change in arrears | £ 27,374 | £ 73,189 | £ 100,563 |
| Arrears for 2020/21 year | £ 1,141,606 | £ 612,059 | £ 1,753,665 |
| Total arrears | £ 2,590,792 | £ 1,308,972 | £ 3,899,764 |

2.6.5 The Business Rates team have had significant Covid related work to deal with and has drawn in support from the wider service. This continues and is increasingly complex.

2.7 Discretionary Rate relief and Other Reviews

2.7.1 In 2020/21 a raft of reliefs were announced in response to the Covid-19 pandemic. These have been many and various and the table below highlights some of the numbers and values involved.

- 2.7.2 The service has had to design various discretionary schemes for the distribution of grants in addition to the mandatory awards.
- 2.7.3 The Governments high and demanding expectations of authorities' ability to administer these schemes which are complex and very resource intensive have been unremitting. The Business rates system was not designed to administer grants, or hold the level or type of information required by the Government. Grants have also been made available to businesses which are not liable for Business Rates and therefore are previously unknown to the Council.
- 2.7.4. The prevention of fraud and error whilst managing customer's expectations on speed of distribution has also been a challenge. The schemes have often been announced by Government before the local authorities have received any information, and thus customer dissatisfaction and frustration has been aggravated, and directed at officers. However the service has worked together to achieve significantly high performance over a very long period, which continues.
- 2.7.5 The project has however identified a number of businesses that should be liable for Business Rates, as owners are keen to claim the grants in those categories.
- 2.7.6 Once these projects are completed it will take a period of time to recover the usual workflows to their previous levels of efficiency.
- 2.7.7 The table below summarises the variety of grants and values paid out since March 2020.

Table 25:

| | Stevenage | No, | East Herts | No, |
|---|------------------------|--------------|------------------------|--------------|
| First round of grants and reliefs | | | | |
| First discretionary scheme | £ 562,500.00 | 118 | £ 1,552,500.00 | 165 |
| Business Rates grant scheme | £ 11,275,000.00 | 877 | £ 29,525,000.00 | 2354 |
| Nursery relief | £ 68,182.80 | 7 | £ 315,138.45 | 12 |
| retail reliefs | £ 21,805,248.95 | 494 | £ 20,299,783.47 | 955 |
| | | | | |
| Second round of grants and reliefs as at 15.6.21 | | | | |
| | SBC | | EHC | |
| LRSB Addendum 5.11.20-2.12.20 | £ 704,142.00 | | £ 1,648,096.00 | |
| LRSB Addendum 19.12.20 to 4.1.21 (17 days) | £ 423,062.84 | | £ 987,677.93 | |
| LRSB Addendum 5.1.21 6 week payment | £ 1,060,713.00 | | £ 2,506,149.00 | |
| LRSB Addendum 16.2.21 44 day payment | £ 1,101,205.00 | | £ 2,598,082.00 | |
| LRSB SECTOR | £ 2,714.28 | | £ 5,571.42 | |
| ARGs | £ 2,537,232.00 | | £ 4,325,179.00 | |
| WET PUBS | £ 12,000.00 | | £ 66,000.00 | |
| LRSB CLOSED | £ 2,429.79 | | £ 19,839.05 | |
| LRSB OPEN | £ 36,376.86 | | £ 151,811.73 | |
| Closed Business Lockdown payment | £ 2,121,000.00 | | £ 4,983,000.00 | |
| Restart Grants | £ 2,565,354.00 | | £ 7,240,054.00 | |
| | | | | |
| | | | | |
| | | 2910 | | 5973 |
| | | | | |
| Grand total to date | £ 44,277,161.52 | 4,406 | £ 76,223,882.05 | 9,459 |

2.8 RV Finder

2.8.1 The importance of identifying the correct rateable values (RV) to maximise the revenue streams to the councils is taken very seriously, and will continue to be a focus as the reliance on this income grows.

2.8.2 The Service is currently under contract with a company who use national data sources to identify changes and potential changes in rateable value in the area. Herts County Council contributes to the cost of both the core information system and towards each rateable value identified.

2.8.3 However, there are increasing pressures on the RV across the country.

2.8.4 Issues with avoidance and evasion continue, and the shared anti-fraud service support our work in data matching on both LA's data, which can identify useful leads.

2.9 **Other activity**

2.9.1 The BID for Bishop's Stortford went live in October 2018. The service support colleagues in Finance in supporting the billing and query resolution this project generates.

2.9.2 The team continues to develop and enhance the quality of the service provided. One route supporting this is academic study. Three team members are studying for their professional exams. This ensures that this complex and demanding area is best served by qualified and knowledgeable officers.

2.10 **Digital**

2.10.1 The service is focused on responding to the need to offer digital solutions for customers engaging with the service. This provides opportunities for 24/7 service delivery and efficiencies.

2.10.2 Currently East Herts and Stevenage customers can self-serve a range of services for Housing Benefit, Council Tax and Business Rates, these include:

- On line claim for Housing Benefit and Council Tax support
- E- billing Council Tax
- E-billing Business Rates
- Change of address
- Online direct debits
- Arrangement Manager- *This module provides recovery staff with the tools to create special payment arrangements quickly and easily in line with our local policies and procedures,*

Customers can set up arrangements to pay (within parameters)24/7

- *Arrangements e-notifications -A taxpayer or ratepayer entering into a special payment arrangement can be offered the option of receiving all associated documentation electronically*

2.10.3 During the coming year, the service intends to expand this on-line service to all customers to include;

- *The **R**ecovery **I**ncidence **S**core **C**alculator - (R.I.S.C.) is essentially an internal 'credit rating' system based on a taxpayer's recovery history. A score value will be assigned for each element of recovery, this score is then captured for each bill year the taxpayer is liable and an overall RISC average score calculated. The scores will then be put into a RISC group or status (a range of scores e.g. 0 to 5 Excellent Payers). This RISC score may then be used by various recovery batch programs to target recovery more effectively, and to generate specific recovery letters dependant on the score.*
- *Digital Discounts and Exemptions-This module allows us to replace all of our Council Tax forms and it is envisaged that it will dramatically reduce manual updates and customer queries with a single integration*
- *E-reminders and e-finals, which enables us to send a charge payer an email with a link to a secure webpage which gives them access to copies of their reminders and final notices.*

2.10.4 In addition to these modules, a number of other on-line forms have been e-enabled to assist customers. Back office integration with these forms will be a further project.

2.10.5 The take up of self service options is slow, and accordingly both Councils are working together to devise a strategy to increase use of these services. Channel shift from traditional

service options to digital routes will be necessary to ensure that these new ways of working become the default. The table below demonstrates some of the movement in take up between July 2017 and March 2020.

Table 26: Take up of digital options

| | EHC | | | | SBC | | | |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Jul-17 | Mar-18 | Mar-19 | Mar-20 | Jul-17 | Mar-18 | Mar-19 | Mar-20 |
| Registered accounts | 3100 | 5586 | 10563 | 15480 | 164 | 1226 | 3437 | 5725 |
| Council Tax: Online DD's | 351 | 2384 | 6324 | 10637 | 60 | 726 | 2234 | 4137 |
| Online CoA | 454 | 2695 | 7237 | 11572 | 76 | 492 | 1570 | 2840 |
| E Billing | 378 | 726 | 1393 | 2152 | 8 | 116 | 410 | 770 |
| Benefits : | 112 | 185 | 296 | 432 | 4 | 43 | 114 | 192 |
| Landlords | 25 | 34 | 47 | 53 | 1 | 4 | 13 | 20 |
| Business Rates | 24 | 45 | 74 | 117 | 0 | 4 | 8 | 62 |

2.10.6 Good clear communication with our customers is essential to both encourage and support them through the transition to greater digital interaction. A range of activities have commenced including both Councils communications teams working together on a series of promotional material, raising awareness of what is available and what is 'coming soon'.

2.10.7 All front line staff has to be committed to channel shift and to engage customers at first point of contact to move to digital services where they are able to. Delays have been experienced as this approach requires new ways of working and corporate support is required to engage other service areas in this objective. The objective is to be *digital by default* and accordingly considerable efforts will be made to engage both staff and customers in the coming year.

2.11 Service plan objectives 2021/22

2.11.1 The agreed service plan focuses on collection rates and performance in processing Benefit claims, whilst reviewing the

access and support offered to customers as discussed above.

2.12 Supporting customers

2.12.1 The service continues to exploring support for customers in financial difficulty, with a view to early intervention preventing the additional costs of enforcement action being necessary.

2.13 Audits

The service is subject to audit both internally and externally. The results of the audits are shown below. The three categories for internal audit are Limited, Satisfactory and Good.

Table 27: Audit results

| | SBC | EHC |
|---|--------------------|--------------------|
| Internal: Council Tax | GOOD | GOOD |
| Internal: Business Rates | GOOD | GOOD |
| Internal: Housing Benefit | GOOD | GOOD |
| External : HB subsidy claim (subject to audit) | No change to claim | No change to claim |

2.14 Outturn budget for 2020/21

2.14.1 The table below shows the outturn for both 2019/20 and 2020/21, and the initial budget for 2021/22.

Table 28: Shared service budgets

| REVENUES AND HOUSING BENEFITS | 2019-20 Outturn | 2020/21 outturn | 2021/22 Budget |
|-------------------------------|-----------------|-----------------|----------------|
| | £ | £ | |
| - SHARED SERVICE | | | |
| EXPENDITURE | | | |
| Employees | 3,206,152 | 3,497,971 | 3,409,290 |

| | | | |
|--|------------------|------------------|------------------|
| Transport Related Expenses | 17,935 | 13,280 | 16,350 |
| Supplies and Services | 215,587 | 194,698 | 224,760 |
| Support Services and Divisional Costs | 834,150 | 948,610 | 1,159,430 |
| Expenditure Total | 4,273,824 | 4,654,559 | 4,809,830 |
| | | | |
| Income From Other Authorities | 1,815,525 | 1,925,635 | 1,939,410 |
| Government grant income | 82,577 | 202,854 | 0 |
| Section Recharge | 2,375,722 | 2,526,070 | 2,870,420 |
| Income Total | 4,273,824 | 4,654,559 | 4,809,830 |

2.15.3 In addition to these figures each Council received new burdens funding that was not pulled in to the shared service during the year (SBC £252k, and EHC 294k) these would otherwise be shown as underspends.

2.15.4 Increases in recharges (predominantly due to increased corporate IT costs), resulted in a small overspend at outturn of £23k.

3.0 IMPLICATIONS

Financial Implications

None

Legal Implications

None

Risk Implications

None

Background Papers

None

Contact Members:

Councillor Geoffrey Williamson, Executive Member for Financial Sustainability, East Herts Council.

Joan Lloyd, Executive Member for Resources and Deputy Leader,
Stevenage Borough Council.

Contact Officer:

Su Tarran, Head of Revenues and Benefits Shared Service, Tel: 01279
502075.