

Part I – Release to Press



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

Portfolio Area Resources

Date 4 July 2023



SHARED REVENUES & BENEFITS SERVICE - ANNUAL UPDATE

NON-KEY DECISION

1 PURPOSE

To update the Committee on the 2022/23 Shared Revenue and Benefits Service including, performance of the service during the year, the in-year challenges and the 2022/23 budget outturn position.

2 RECOMMENDATIONS

2.1 The contents of the report be noted.

3 BACKGROUND

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

3.2 This report includes an overview of performance in 2022/23 of the Revenues & Benefits shared service and details future objectives and challenges.

3.3 Since March 2020 the service has been significantly impacted by additional work required initially as part of the Governments response to the Covid 19 pandemic, and subsequently other national challenges including the energy crisis. The report details both the achievements made in carrying out these

projects but also demonstrates the impact on the performance of the service that these additional work streams have created.

- 3.4 At the time of writing this report it is worth noting that whilst the Covid-19 projects are complete, further Government projects have been launched in respect of the energy cost issues. These will inevitably have a further impact on service performance and its ability to 're-group' after Covid projects.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 Housing Benefit

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

- 4.2.1 Since suffering as a result of the additional pressure on resources through Test & Trace in 2021/22 performance has improved and exceeded previous years achievements.

Stevenage N181 was 5.6 days and East Herts N181 was 6.21 days. This is the best performance since before the shared service was set up.

- 4.2.2 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 2022/23 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	£ 19,957,576	£ 22,167,401
0.48%	£ 95,796	£ 106,404
0.54%	£ 107,771	£ 119,704
Actual	£ 42,510	£ 25,918

- 4.2.3 The N181 core indicator represents a significant achievement for the shared service. Difficulties with recruiting staff were mitigated by the occasional additional use of agency resources to ensure performance was maintained.
- 4.2.4 The overall level of HB post received in 2022/23 reduced by almost 8% reflecting changes in caseloads, and accordingly the service has been able to downsize by 1.8 FTE posts from 2023/24 in response.
- 4.2.5 The total post received was over 138k items. (EHC 71k & SBC 67k). The following graphs demonstrate the changes.

Table 2: SBC Housing Benefit work received.

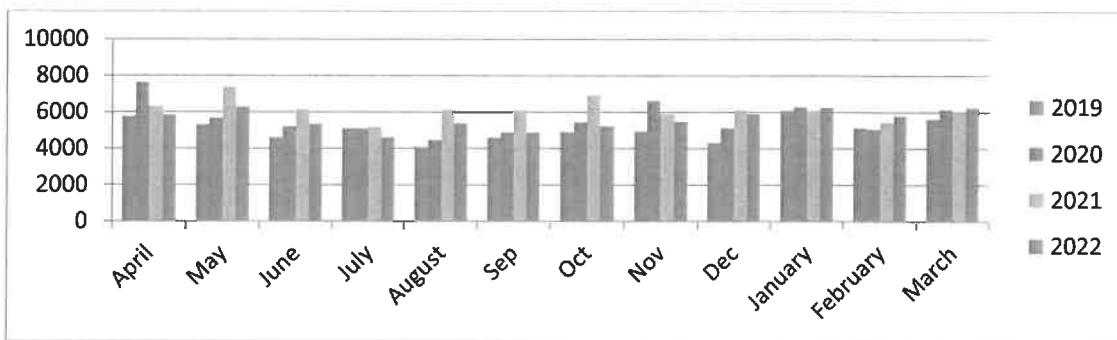
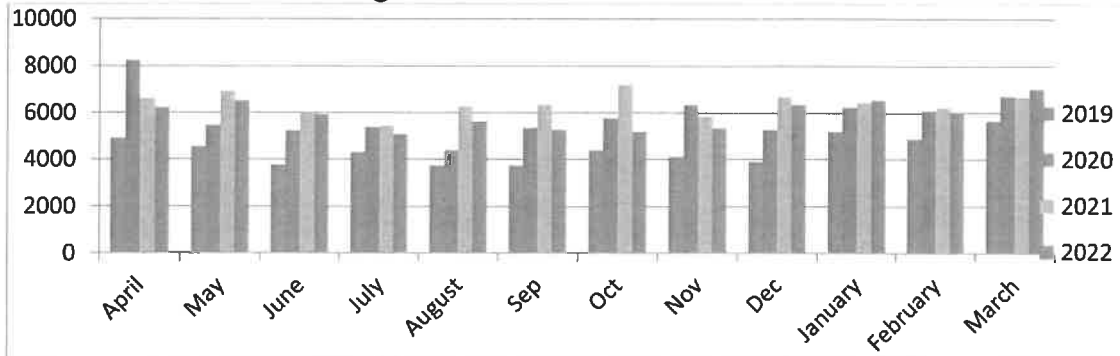


Table 3: EHC Housing Benefit work received.



- 4.2.6 Post received includes new claims as well as change in circumstances. These include things like changes in earnings, tax credits, household composition etc. In 2022/23 each SBC claim experienced on average 19.21 changes per claim, and EHC 21.32 per claim, a slight change on 2021/22. (SBC 19.36, EHC 20.56)

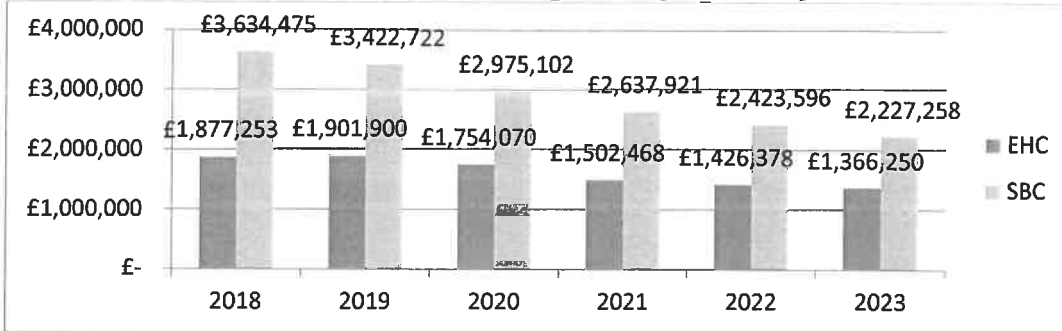
4.3 Housing Benefit Subsidy

- 4.3.1 The level of Housing Benefit claimed in subsidy reached £42.8m in 2022/23 (subject to audit), less than in 2021/22 (£ 44.4m) and reflecting the lower caseload, the restrictions on benefit entitlements, and movement to universal credit.

4.1 **HB Overpayments**

4.4.1 With the level of awards outlined above the value/level of overpayments is a constant pressure.

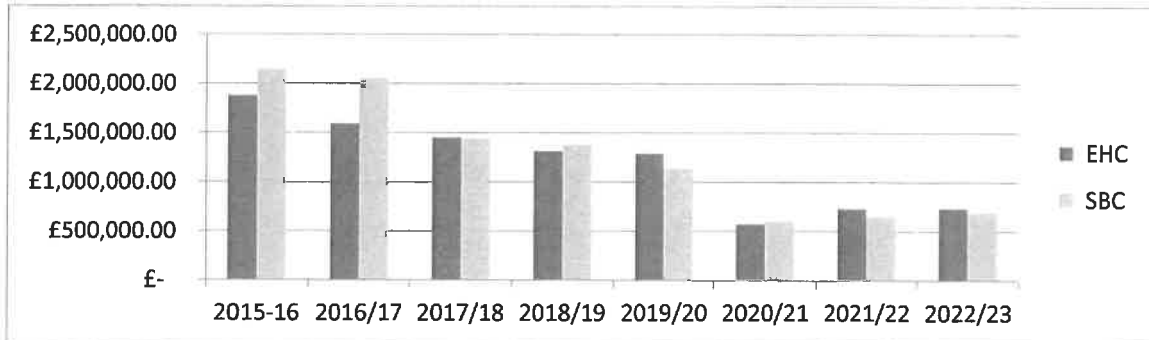
Table 4: Overpayments outstanding at 1 April each year



4.4.2 For the sixth year running the closing value of outstanding debts is reducing.

4.4.3 There remains a significant difference in the level of outstanding debt at each LA. Looking at the value of debt raised in the eight years (below Table 5) demonstrates these differences in new debts raised are diminishing, but the difference in historical outstanding debt remains. (Table 6). The historic variance can be attributed to a number of factors including the impact of the DWP's anti-fraud and error drives (see 4.8 below).

Table 5: Debt raised



4.4.4 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

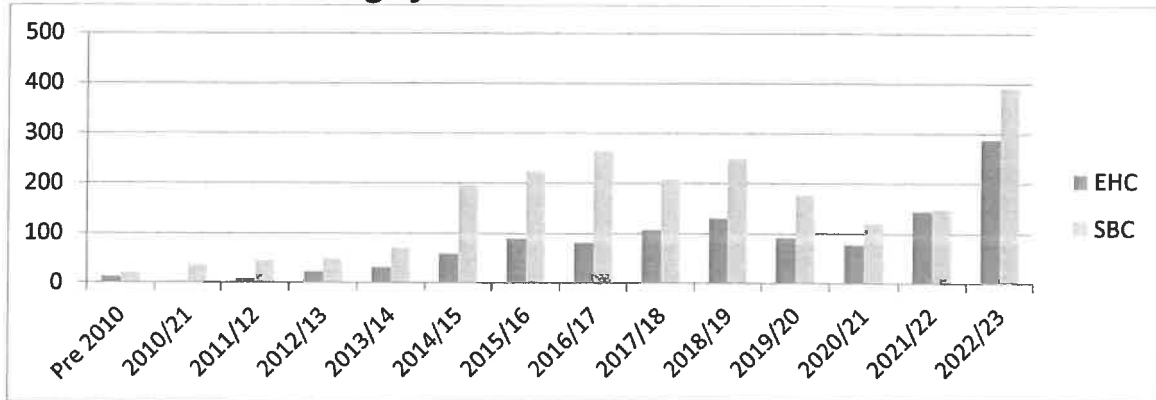
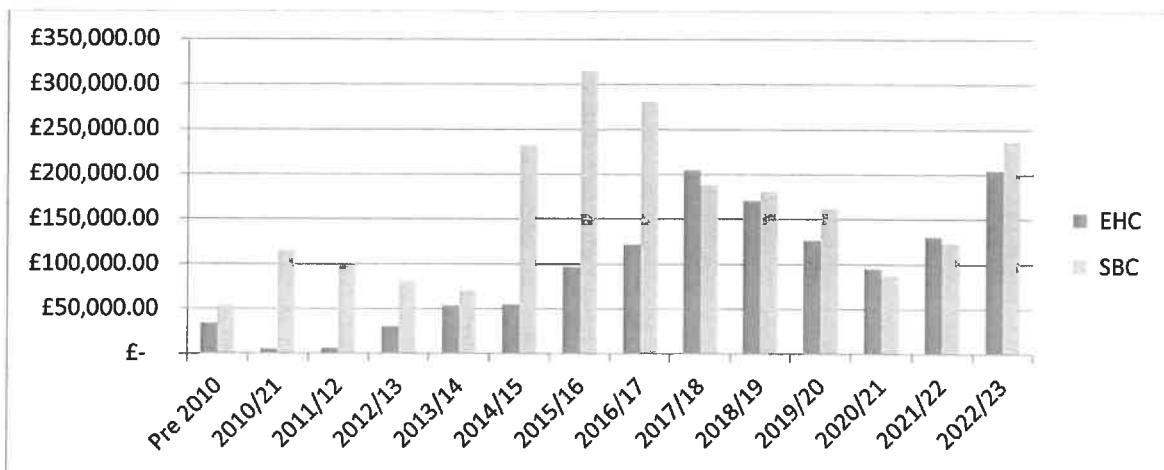


Table 7: Debt outstanding by value based on date invoice is raised.



- 4.4.5 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 16.7% of all debts (individually; 14.25% SBC & 21.51% 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.
- 4.4.6 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.
- 4.4.7 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 2023

ALL at 31.3.22	Stevenage			East Herts		
	%	Number	Value	%	Number	Value
Total		2203	£2,227,257.75		1153	1,338,495.12
LIVE	14.25%	314	£ 270,847.10	21.51%	248	175,828.86
DORMANT	85.75%	1889	£1,956,410.65	78.49%	905	1,162,666.26
LIVE AND CT		160	£ 138,639.17			
LIVE & PT		154	£ 132,207.93			
LIVE & FRAUD	1.91%	6	£ 9,931.76	3.63%	9	13,382.28
LIVE/FRAUD CT		4	£ 8,530.70			
LIVE /FRAUD PT		2	£ 1,401.06			
DORMANT CT		1009	£ 955,987.12			
DORMANT PT		880	£1,000,423.53			
DORMANT FRAUD	6.30%	119	£ 422,279.55	9.72%	88	290,964.00
DORMANT/FRAUD CT		66	£ 210,101.96			
DORMANT FRAUD PT		53	£ 212,177.59			

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

- 4.4.8 The maximum rates of recovery set by the DWP, are often reduced following negotiations with customers and their representatives where there are hardship issues.
- 4.4.9 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.
- 4.4.10 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

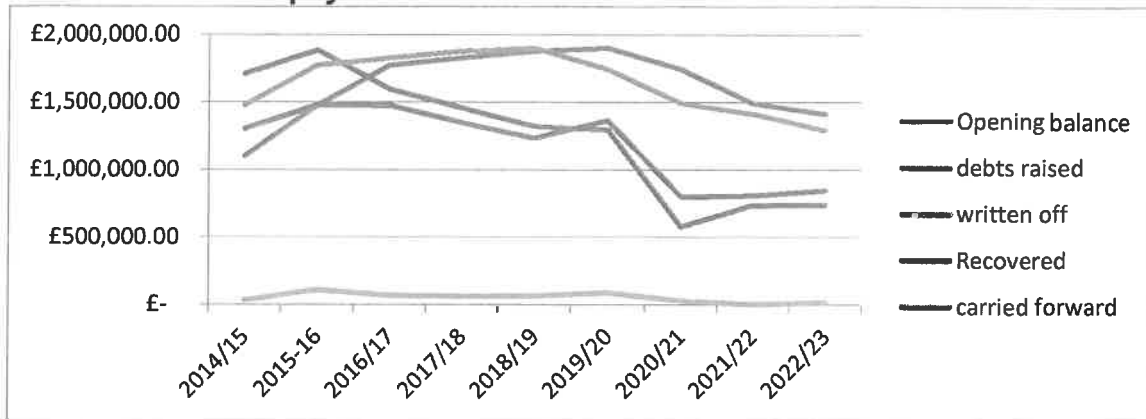
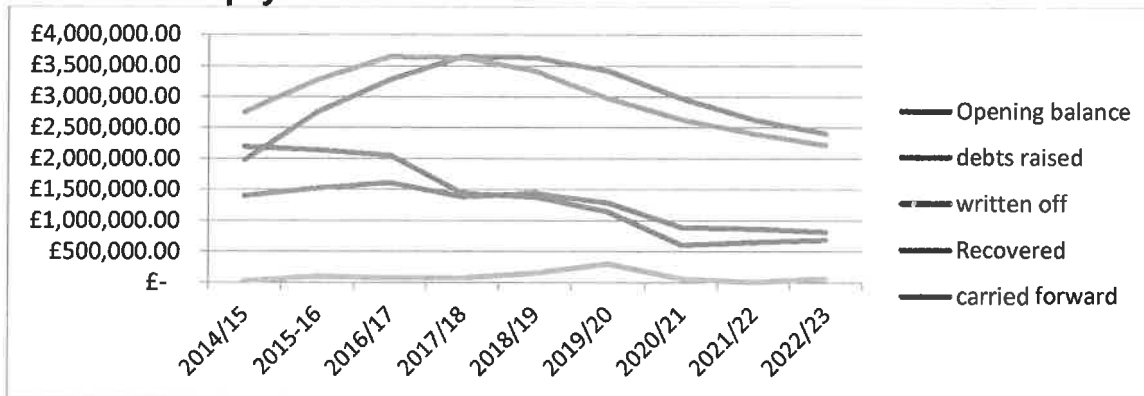


Table 10: Overpayment trends SBC



4.4.11 Further to paragraph 4.4.5 above bad debt provisions are also made on the balances outstanding and these represent 93.9% at Stevenage and 52% at East Herts. The less provision has to be made, the less the burden on the revenue budgets.

4.4.12 As a result of the reducing level of debt outstanding both councils have been able to reduce the bad debt provisions this year (EHC £25k and SBC £125.3k) returning this to the revenue account for other purposes.

4.5 Discretionary Housing Payments (DHP)

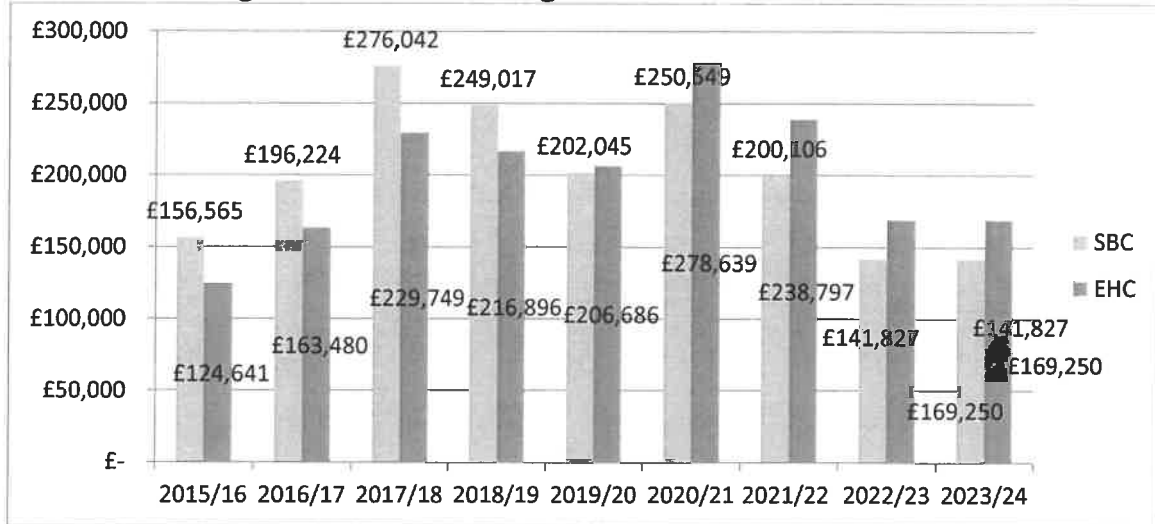
4.5.1 The amount of DHP grant from the DWP received each year changes, reflecting the priorities that it considers need supporting. There is no restriction on how much of the total grant is spent on each of these priorities. There is an increasing pressure on the funds from customers on universal credit (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.

4.5.2 The DWP have determined this year to declare the funding allocations for the next two years, 2023/24 and 2024/25. It is worth noting that these and the 2022/23 allocation are all made from a central unchanging pot of

£100m. In real terms therefore the value of the allocations is reduced by inflationary factors.

This will inevitably create further pressure and challenges for customers and officers alike, remembering that this funding is for Housing Benefit customers as well as those in receipt of the housing element of Universal Credit.

Table 11: Changes in levels of DHP grants from Government



4.5.3 The majority of successful awards in 2022/23 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

2022/23	SBC	EHC
Received	433	540
Rejected	236	320
Benefit Cap	20	27
Under occupation subsidy	132	93
Universal credit	112	123

4.6 Housing Benefit caseload

4.6.1 The following tables demonstrate the changes in Housing Benefit caseload. The number of claimants varies daily with changes in customers' employment status. These demonstrate an overall reduction in 2022/23 of 10%. (EHC 10.47%, SBC 8%).

Table 13: SBC Housing Benefit caseload movements

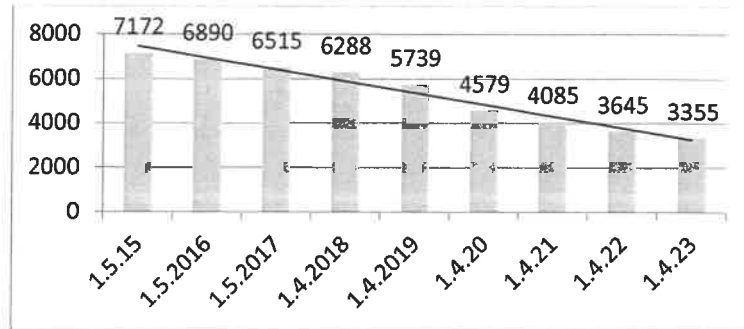
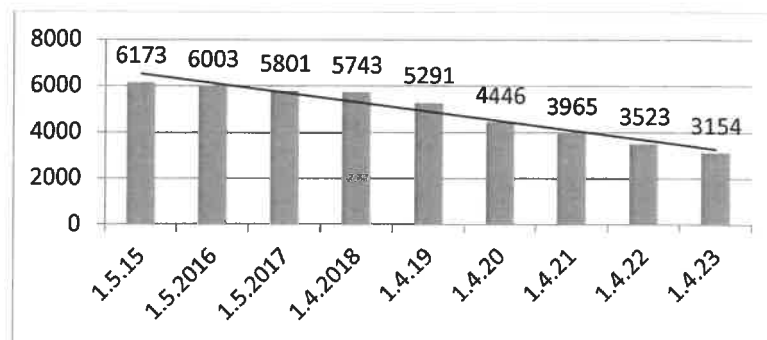


Table 14: EHC Housing Benefit caseload movements



4.7 Council Tax Support

4.7.1 The overall caseload has continued to reduce during 2022/23 despite expectations that the ending of the Governments pandemic support might see the trend reverse. However, the Government has introduced a CTS top up scheme for 2023/24, where at 1.4.23 each live claim is awarded up to £25.00 additional relief, supported by a discretionary scheme for the remainder of 2023/24 which will enable new applicants to attract the same support and also provide funds for some hardship awards.

4.7.2 Overall, the caseload has reduced by 3.9% (SBC 4.3% and EHC 3.5%).

Table 15: SBC CTS Caseload

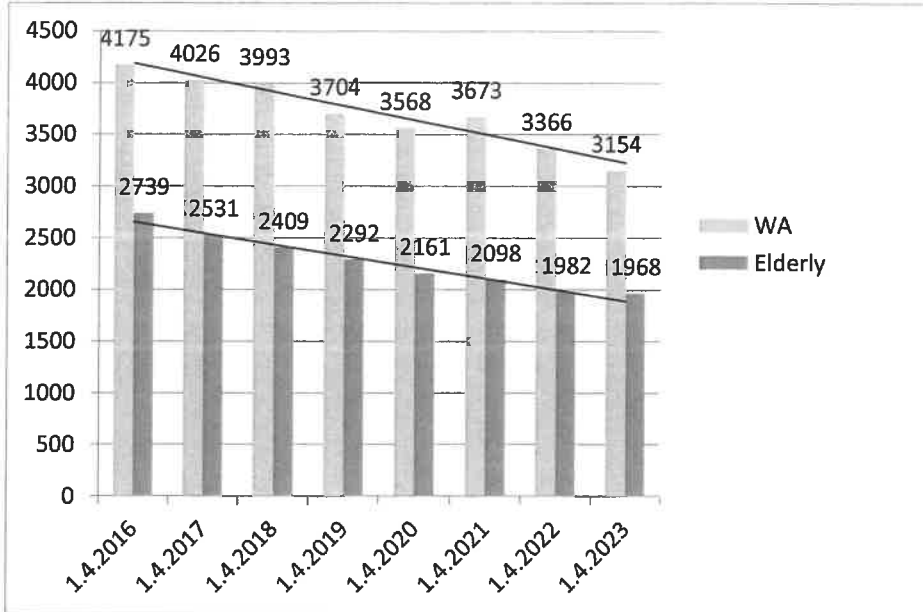
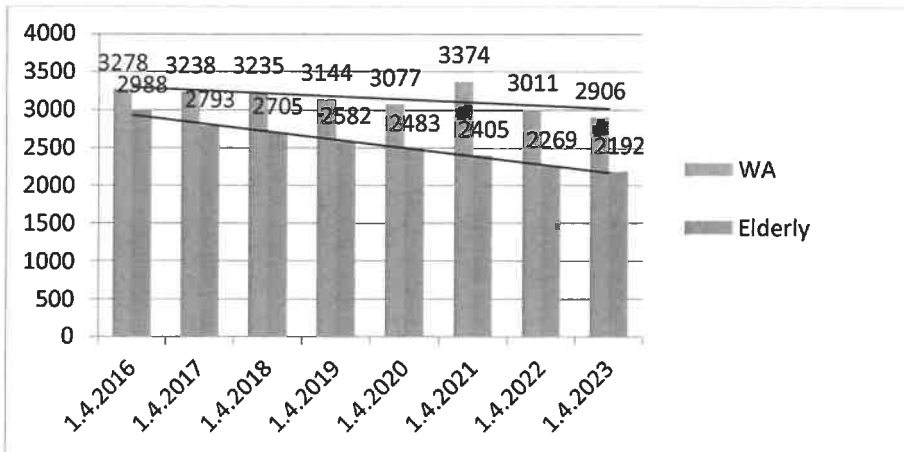


Table 16: EHC CTS Caseload



- 4.7.3 The collection of Council Tax Liability for CTS cases is more complex. Variations in awards generate new bills and revise collection arrangements.
- 4.7.4 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.
- 4.7.5 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. 2022/23 saw an improvement in the collection of CTS case council tax, in contrast to the overall downward pressure on the main Council Tax collection rates.

- 4.7.6 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 are being rolled over again into 2023/24 and are being used to support hardship applications identified through Council Tax and DHP applications.

Table 17: 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%
2021/22		73.85%	68.48%	97.10%
2022/23		74.94%	74.98%	96.50%
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%
2021/22		71.46%	71.59%	94.50%
2022/23		74.36%	75.25%	94.00%

- 4.7.7 The level of arrears from this group are consequently proportionately higher per household than from those not in receipt of CTS, and accordingly collection is more challenging.
- 4.7.8 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 2024 shortly.
- 4.8 Verification of Earnings and Pensions (VEP)**
- 4.8.1 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 & Housing Benefit Awards Accuracy initiative. The target groups for these are high risk tenancies i.e. temporary (hostel type); earned income and self-employed.

- 4.8.2 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.
- 4.8.3 Once again funding has been received to support LA's in obtaining resources to carry out VEP work. For 2022/23 this amounted to £48.4k, however for 2023/24 this is reduced to £42.6k. This funding is reducing each year, and we hope that the number of cases referred to us reduces accordingly.
- 4.8.4 This activity inevitably identifies overpayments of Housing Benefit and Council Tax support which need to be recovered. (See 4.4.1 above)
- 4.8.5 The DWP are also requiring Councils to do ad hoc targeted work when they consider there is a high risk of fraud and error

4.9 Universal Credit

- 4.9.1 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 whilst occasionally a new pilot is mentioned, any move to a full-scale transfer keeps being deferred. This level of uncertainty impacts on service design, resources and future planning for LA's.
- 4.9.2 There are still some working age client groups who will not move onto universal credit, including those in temporary, emergency and supported accommodation. These however are the highest cost cases for Councils as much of the rent/service charge is ineligible for subsidy. There remains no indication of any scheme for pensioners who will until further notice remain eligible for Housing Benefit.

4.10 Council Tax.

- 4.10.1 The Council Tax service had supported the Business rates grants project work since March 2020, and accordingly this significant workload impacted on performance in this area.
It was hoped that 2022/23 would see the service returning to some normality with an opportunity to recover from the impacts of Covid related work, but the Government announced an Energy rebate schemes to be delivered by the service. It was predominantly based on occupation of a

property in band A-D.

- 4.10.2 The scheme fell into three main areas;
- (i) £150.00 rebate to be credited to the bank account of customers who pay their council tax by direct debit
 - (ii) An application based scheme for residents who do not pay their council tax by direct debit
 - (iii) A discretionary scheme to offer some support to some residents in bands E-H, or top up vulnerable residents in bands A-D etc
- Funding provided was cash limited.

- 4.10.3 The size of the scheme was significant and absorbed considerable resources in the service to the end of November. These are resources which were thus unavailable to carry out core functions. The tables below shows the outputs from the project.

Table 18: SBC Energy Rebate £150.00 scheme 2022/23

SBC Out-turn		
Scheme	Paid	Number
DD Paid	£3,094,500.00	20,630
Non DD	£1,140,450.00	7,603
Discretionary Scheme Bands E-H Paid	£8,250.00	55
Discretionary Scheme Rent Bands A-H Paid	£150.00	1
Sum of Paid Cases	£4,243,350.00	28,289
Credit My Account		
Mandatory A-D Scheme credit my ac	£607,500.00	4,050
SBC Discretionary E-H & A-H credit my account	£6,000.00	40
SBC Discretionary Top-Up cases credit my account	£147,100.68	5,156
Sum of Credit My Account	£760,600.68	9,246
Sum of Credit My Account& Paid Schemes	£5,003,950.68	37,535

Table 19: EHC Energy Rebate £150.00 scheme 2022/23

EHC - Out-turn		
Scheme	Paid	Number
DD Paid	£4,278,900	28,526
Non DD	£729,000	4,860
Discretionary Scheme Bands E-H Paid	£29,250.00	195
Discretionary Scheme Rent Bands A-H Paid	£0.00	0
Sum of Paid Cases	£5,037,150.00	33581
Credit My Account		
Mandatory A-D Scheme credit my account	£676,500.00	4,507
EHC Discretionary E-H & A- H credit my account	£29,850.00	199
EHC Discretionary Top-Up cases credit my account	£185,379.66	5,378
Sum of Credit My Account	£891,279.66	10,084
Sum of Credit My Account& Paid Schemes	£5,928,879.66	43,665

- 4.10.4 Once again the service was required to divert significant resources to manage a project for which its IT systems and processes are not designed. The Government made some new burdens money available, but did not advise or pay the substantive amount until the 30 March 2023 when it was too late to plan for or acquire additional resources, even if they had been available.
- 4.10.5 This workload on the back of the previous years' Business grants inevitably had a knock-on effect on the Council Tax collection rates.
- 4.10.6 Council Tax performance measure looks at the proportion of the current year's liability collected in that year. For 2022/23 Stevenage collection rate was 94%, and East Herts 96.5%. SBC 0.5% lower than 2020/21 and EHC 0.6% lower.
- 4.10.7 In 2022/23 the combined collectable debit for EHC & SBC increased by over £8.9m. (EHC £6.4m & SBC £2.5m). For Stevenage the collectable debit was £55.3m and EHC £126m. Customers are now experiencing ongoing increases in council tax and the additional adult social care charge levied by HCC adds to the cost of this tax for each household. It can be anticipated that the increase in energy costs and inflation

pressures will make it harder for many households to pay their council tax liability.

- 4.10.8 The number of actual properties in the tax base also increased by 1,214 between 1.4.22 and 1.4.23. With the increasing levels of council tax and the cost of living challenges, we anticipate greater problems in collection in the coming years.
- 4.10.9 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.
- 4.10.10 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 20: Stevenage Council Tax arrears

SBC	31.3.2023	31.3.22	prior year change
Pre 2003	-£ 240	-£ 763	-£ 523
2003-2007	£ 24,386	£ 27,595	£ 3,208
2008-2012	£ 174,969	£ 207,029	£ 32,060
2013-2017	£ 839,681	£ 974,998	£ 135,317
2018-2022	£ 4,325,437	£ 5,743,599	£ -
Pre 1.4.2022	£ 5,364,233	£ 6,952,458	£ 1,588,225
.2022/23	£ 3,105,800		
at 31.3.2023	£ 8,470,032	£ 6,952,458	£ 1,517,575

Before adding the 2022/23 arrears, £1,588,225 of prior year debt was recovered during 2022/23.

Table 21: East Herts Council Tax arrears

EHC	31.3.2023	31.3.2022	prior year change
Pre 2003	-£ 9,570	£ 822	£ 10,393
2003-2007	£ 62,452	£ 76,907	£ 14,455
2008-2012	£ 184,016	£ 205,732	£ 21,716
2013-2017	£ 771,129	£ 882,625	£ 111,496
2018-2022	£ 4,495,325	£ 6,361,916	£ 1,866,591
Pre 1.4.2022	£ 5,503,352	£ 7,528,002	£ 2,024,650
.2022/23	£ 3,790,869		
at 31.3.2023	£ 9,294,221	£ 7,528,002	£ 1,766,220

Before adding the 2022/23 arrears, £2,024,650 of prior year debt was recovered during 2022/23.

4.10.12 The tables demonstrate that significant inroads into prior year arrears were achieved in 2022/23, and whilst some of these were deemed non recoverable and written off, the overall level of pre 2022/23 debt was reduced.

4.10.13 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.

4.10.14 Both Councils applied the premium to properties which have been empty for more than two years. EHC increased this to the maximum allowed (100% for property empty 2 years but less than 5, 200% for 5 years but less than 10 and 300% for properties empty for 10 or more years) from 1 April 2022, whilst SBC retained the premium at 50%. At 31.3.23 SBC charged the premium on 106 properties and EHC 123.

4.10.15 The service also carried out an in-house review of empty homes, which increases the number of properties on which New Homes Bonus would be eligible.

4.10.16 The service in conjunction with NEC carried out a review of recipients of Single Person Discounts. Almost 33k properties were screened to confirm entitlement. (EHC 20.2k, SBC 12.9). Those cases which were of high risk were then sent letters to complete an online review form.

4.11 Business Rates

4.11.1 2022/23 has been a slightly less demanding year within Business rates as far as 'additional responsibilities' is concerned. The raft of reliefs & Grants schemes has slowed, leaving mainly new targeted relief schemes to administer. However, the level of post payment assurance work has been substantial. BEIS and HMRC have both required substantial evidence and test checking but have been satisfied with our administration. Now however the external auditors who are a year or so behind with their audits are asking for their own test cases and detailed evidence putting a further pressure on the small team. In addition, 2022/23 required preparation for the 2023/24 revaluation which was applied from 1.4.2023.

4.11.2 Despite this, the collection rates for 2022/23 have come close to their pre-pandemic levels.

4.11.3 The performance measure looks at the proportion of the current year's liability collected in that year. In 2019/20 we reported the highest collection rates for many years, these dipped subsequently but for 2022/23 achieved 98.75% SBC and 98.17% EHC.

4.11.4 The tables below shows some of the headline values at 31.3.2022

Table 22: Business Rates liabilities and reliefs

	SBC		EHC	
Gross rates	£	50,696,316	£	57,876,581
Transitional reliefs	£	639,125	£	173,506
Empty reliefs	-£	575,931	-£	1,486,063
Mandatory relief	-£	3,667,885	-£	11,141,467
Discretionary relief	-£	190,130	-£	283,485
Government funded specific relief	-£	2,305,931	-£	5,559,505
Net yield to collect	£	44,595,564	£	39,579,567

Table 23: Mandatory reliefs granted

Mandatory Relief	Explanation	SBC 2022/23	EHC 2022/23
Empty (sec 45)	A Mandatory Relief applied to properties which are empty – 3 months for Shop & Offices etc and 6 months for Industrial type properties	-£ 575,931	-£ 1,486,063
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)	£ 1,052,035	£ 916,876
Small Business rates relief	A Mandatory Relief for Small Businesses under £12,000 rateable value	-£ 2,174,130	-£ 6,834,133
Charitable (Sec 43(5))	A Mandatory Relief where the organisation is a charity or would be considered to be a charity	-£ 2,515,402	-£ 5,055,860
Sports Clubs (sec 43(5))	A Mandatory Relief (43(5)) for registered Community Amateur Sport Clubs	-£ 4,506	-£ 79,330
Public Toilets	A Mandatory relief for public toilets	-£ 25,882	-£ 53,787
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		-£ 35,232

4.11.5 In addition to the collection of current year liabilities the Business Rates team continue to focus on old year debts. This year further £1.6m was recovered.

Table 24: Changes in prior year arrears.

31.3.2032	East Herts	Stevenage	Total
Opening balance of <i>all years</i> arrears at 1.4.2022	£ 2,472,054	£ 1,109,773	£ 3,581,827
closing balance at 31.3.23	£ 1,329,964	£ 649,143	£ 1,979,108
Change in arrears	£ 1,142,090	£ 460,630	£ 1,602,720
Arrears for 2022/23 year	£ 768,994	£ 585,537	£ 1,354,531
Total arrears	£ 2,098,959	£ 1,234,680	£ 3,333,639

4.12 RV Finder

4.12.1 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.

4.12.2 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.

4.12.3 However, there are increasing pressures on the RV across the country. with types of businesses seeking to reduce liability, demands for on-line companies to contribute more, and types of businesses being moved into central lists (outside of LA's billing). Sadly, there remains no legal requirement for a business to notify the billing authority that it is operating from a premises, or has made changes to the property which would attract a greater liability. Consequently, it is very important for Councils to seek out all liabilities.

4.12.4 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.

4.13 Other activity

4.13.1 The BID for Bishop's Stortford was renewed for 2023/24. The service is responsible for the billing and collection of this additional annual charge and receives funding for the activity.

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

4.14 Digital

- 4.14.1 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.
- 4.14.2 Currently East Herts and Stevenage customers can self-serve a range of services for Housing Benefit, Council Tax and Business Rates. 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.
- 4.14.3 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 2023.

Table 25: Take up of digital options EHC

	EHC						
	Jul-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Registered accounts	3100	5586	10563	15480	20969	26687	31422
Council Tax: Online	351	2384	6324	10637	15867	22067	27334
Online CoA	454	2695	7237	11572	17185	23115	28985
E Billing	378	726	1393	2152	3212	4216	5081
Benefits :	112	185	296	432	562	666	744
Landlords	25	34	47	53	62	71	78
Business Rates	24	45	74	117	174	308	397

Table 26: Take up of digital options SBC

	SBC						
	Jul-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Registered accounts	164	1226	3437	5725	8030	11035	14039
Council Tax: Online	60	726	2234	4137	6164	8974	11586
Online CoA	76	492	1570	2840	4277	5819	7673
E Billing	8	116	410	770	1148	1565	1984
Benefits :	4	43	114	192	280	322	374
Landlords	1	4	13	20	31	34	40
Business Rates	0	4	8	62	94	120	170

- 4.14.4 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'.

4.14.5 All front line staff have 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.

4.15 Service plan objectives 2023/24

4.15.1 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.

4.16 Supporting customers

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

4.17 Audits

The service is subject to audit both internally and externally. The results of the audits are shown below. The four categories of assurance for internal audit are Substantial, Reasonable, Limited and No.

4.18 The SBC Council Tax audit was marked down for one £5.00 write off being incorrectly authorised.

Table 27: Audit results

	SBC	EHC
Internal: Council Tax	Reasonable	Substantial
Internal: Business Rates	Substantial	Substantial
Internal: Housing Benefit	Substantial	Substantial
External: HB subsidy claim (subject to audit)	Audit pending	Audit pending

4.19 Staff

4.19.1 The ending of Covid restrictions saw a jump in resignations and early retirements and accordingly the service has struggled to recruit. We are not alone in this and accordingly the availability of replacement staff or even agency cover is extremely difficult. Those agency staff that become available are being offered at extremely high hourly rates, and in some case 'gazumping' is taking place between employers.

4.19.2 At the time of writing we have 4 vacant posts. This level of vacancy is small for the size of the service, but these posts have been advertised a number of times and securing appointments has thus far not been possible. This impacts performance and accordingly alternative solutions are being sort.

4.19.3 The service is keen to explore digital and automation solutions to processing which would reduce resource pressures also.

4.20 Expansion

4.20.1 During 2022/23 the service explored the potential for allowing two more local authorities to join the shared service. However, during the work of developing the business case it became clear that this was not the route to pursue at this point and the project closure was approved by members. This should not prevent other opportunities being explored in the future.

4.21 Outturn budget for 2022/23

4.21.1 The table below shows the outturn for both 2021/22 and 2022/23, and the initial budget for 2023/24.

Table 28: Shared service budgets

REVENUES & HOUSING BENEFITS	2021/22 outturn	2022/23 outturn	2023/24 Budget
	£	£	
- SHARED SERVICE			
EXPENDITURE			
Employees	3,428,729	3,552,453	3,686,990
Transport Related Expenses	13,199	9,953	16,350
Supplies & Services	239,107	230,323	234,760
Support Services & Divisional Costs	985,588	946,516	950,262
Expenditure Total	4,666,623	4,739,245	4,888,362
Income From Other Authorities	1,934,436	1,989,920	2,108,824
Government grant income	65,682	80,082	-
Section Recharge	2,666,505	2,669,243	2,779,538
Income Total	4,666,623	4,739,245	4,888,362

4.21.2 Overall there was an underspend on the budget of £6795.

4.22.3 In addition to these figures each Council received new burdens funding that was not pulled into the shared service during the year (SBC £271k, & EHC 256k) these would otherwise be shown as underspends.

5 IMPLICATIONS

Financial Implications

5.1 The financial implications are contained within the report.

Legal Implications

5.2 None

Risk Implications

5.3 None

6 BACKGROUND PAPERS

None.

Contact Members:

Joan Lloyd, Executive Member for Resources, Stevenage Borough Council.

Carl Brittain, Executive Member for Financial Sustainability, East Herts Council

Contact Officer:

Su Tarran, Head of Revenues & Benefits Shared Service
Contact Tel No 01279 502075