



**Harborough District Council,**

**Hinckley and Bosworth Borough Council,**

**North West Leicestershire District Council,**

**Working in Partnership to provide better services...**

Meeting	Joint Committee
Time/Date	4.30 pm on Thursday, 28 JUNE 2018
Location	Room 218, The Symington Building, Adam and Eve Street, Market Harborough
Officer to contact	Democratic Services (01530 454512)

All persons present are reminded that the meeting may be recorded and by attending this meeting you are giving your consent to being filmed and your image being used. You are kindly requested to make it known to the Chairman if you intend to film or record this meeting.

The Monitoring Officer would like to remind members that when they are considering whether the following items are exempt information under the relevant paragraph under part 1 of Schedule 12A of the Local Government Act 1972 they must have regard to the public interest test. This means that members must consider, for each item, whether the public interest in maintaining the exemption from disclosure outweighs the public interest in making the item available to the public.

## **AGENDA**

<b>Item</b>		<b>Pages</b>
<b>1. ELECTION OF CHAIRMAN</b>	To elect a Chairman for the ensuing municipal year.	
<b>2. ELECTION OF DEPUTY CHAIRMAN</b>	To elect a Deputy Chairman for the ensuing municipal year.	
<b>3. APOLOGIES FOR ABSENCE</b>	To receive and note any apologies for absence.	

<b>Item</b>	<b>Pages</b>
<b>4. DECLARATIONS OF INTEREST</b>	
Under the Code of Conduct members are reminded that in declaring disclosable interests you should make clear the nature of that interest.	
<b>5. MINUTES</b>	
To confirm and sign the minutes of the meeting held on 26 April 2018	<b>3 - 6</b>
<b>6. INTERNAL AUDIT REPORT 2017/2018 REVENUES AND BENEFITS PARTNERSHIP</b>	
Report of the External Auditor	<b>7 - 32</b>
<b>7. COUNCIL TAX - LOCAL DISCOUNTS</b>	
Report of the Business Development and Support Manager	<b>33 - 42</b>
<b>8. FINANCIAL PERFORMANCE OUTTURN 2017/18</b>	
The report of the Section 151 Officer	<b>43 - 50</b>
<b>9. PERFORMANCE SUMMARY REPORT 2017/18 OUT-TURN</b>	
The report of the Head of Partnership	<b>51 - 64</b>
<b>10. SCHEDULE OF MEETINGS 2018/19</b>	
The report of the Committee Clerk	<b>65 - 68</b>

Circulation:

Councillor R Allen  
 Councillor R D Bayliss  
 Councillor R Hadkiss  
 Councillor J Hallam  
 Councillor C Ladkin  
 Councillor T J Pendleton

MINUTES of a meeting of THE LEICESTERSHIRE PARTNERSHIP REVENUES AND BENEFITS JOINT COMMITTEE held in The Partridge Suite, Atkins Building, Lower Bond Street, Hinckley on THURSDAY, 26 APRIL 2018

Present: Councillor R Hadkiss (Harborough) (in the Chair)

Councillors R Allen (Hinckley and Bosworth), R D Bayliss (North West Leicestershire), J Hallam (Harborough) and T J Pendleton (North West Leicestershire)

Officers: Mrs T Bingham (NWLDC), Mrs C Hammond, Ms B Jolly (HDC), Mrs J Kenny (HBBC), Mrs S O'Hanlon (Leicestershire Partnership - Revenues & Benefits) and Mr A Wilson (HBBC)

#### **45. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor M Hall.

#### **46. DECLARATIONS OF INTEREST**

There were no interests declared.

#### **47. MINUTES**

Consideration was given to the minutes of the meeting held on 25 January 2018.

It was moved by Councillor R Allen, seconded by Councillor R D Bayliss and

RESOLVED THAT:

The minutes of the meeting held on 25 January 2018 be approved and signed as a correct record.

#### **48. PARTNERSHIP CONSTITUTION**

Mrs J Kenny presented the report to Members. She highlighted the following key changes to the Constitution:-

- Removal of the reference to the Operations Board
- More flexibility over the timing of the Annual Meeting
- Changes to the Constitution to be allowed at the Annual Meeting

Mrs J Kenny also advised Members that the amendment on page 9 should have been deleted following a previous revision but had not been reflected.

It was moved by Councillor R Allen, seconded by Councillor T J Pendleton and

RESOLVED THAT:

The draft deed of variation for the Partnership be approved and would become effective from 1 May 2018.

#### **49. FINANCIAL PERFORMANCE TO FEBRUARY 2018**

Mr A Wilson presented the report to Members. He advised Members at the end of February the budget was showing an underspend of £95,311 and the key variances were:-

- £56k FERIS underspend due to posts being filled on a part-time basis, which was ring fenced.
- £47k underspend in salaries
- £6k underspend in the car allowance budget

Mr A Wilson drew Members attention to paragraph 4.1 in relation to Liability Orders and how they were based. He advised that the table with in the report detailed the amounts due to or from each partner authority and that they would be amended for the final quarter of the 2017/18 year.

By affirmation of the meeting it was

RESOLVED THAT:

The Financial Performance of the Partnership be noted.

## **50. PERFORMANCE SUMMARY REPORT FEBRUARY 2018**

Mrs S O'Hanlon presented the report to Members. She was delighted to inform Members that key 4 processing targets had been met or exceeded for all three authorities for the first time since the partnership was formed, however advised all should be mindful that if, in the future, 1 large property in any of the areas failed to make a payment it would affect the targets. She informed Members that the subsidy forecast for all partner authorities were in tolerance as predicted

Mrs S O'Hanlon stated that the only concern was the sickness levels due to unusual levels of operations and breakages however managers continued to work with HR teams to monitor, intervene and carry out one to ones to help manage the situations.

Councillor T J Pendleton congratulated the staff on their hard work as it appeared that there was unprecedented pressure on the service and they were still hitting their targets.

Councillor R Hadkiss offered a vote of thanks from the Committee to the team for their superb achievement.

By affirmation of the meeting it was

RESOLVED THAT:

The Performance Summary Report to February 2018 be noted.

## **51. FORWARD PLAN**

Mrs S O'Hanlon presented the forward plan to Members.

A discussion took place around the frequency of the meetings as the forward plan appeared light on items for the September meeting and whether it would be possible to receive the performance updates via email and look at 6 monthly meetings for the year.

Mrs J Kenny stated that if Members were happy then an update on the performance updates could be given at the June meeting.

Mrs S O'Hanlon asked Members to advice if there was anything that they would like to see on the agenda.

By affirmation of the meeting it was

RESOLVED THAT:

The Forward Plan be noted.

**52. DATE OF THE NEXT MEETING**

Members noted the date and venue of the Annual Meeting.

The meeting commenced at 4.30 pm

The Chairman closed the meeting at 4.52 pm

This page is intentionally left blank

www.pwc.co.uk

# *Internal Audit Report 2017/2018*

## Revenues and Benefits Partnership

***Hinckley & Bosworth  
Borough Council***

FINAL

*June 2018*

 Click to launch

**pwc**

# Contents

## Executive summary

1



## Current year findings

2



## Appendices

- A. Basis of our classifications
- B. Terms of reference
- C. Limitations and responsibilities

---

### Distribution list

For action:	Sally O’Hanlon, Head of Leicestershire Revenues and Benefits Partnership
For information:	Audit Committee Ashley Wilson, Section 151 Officer

---



## Executive summary (1 of 2)

### Report classification



#### Low Risk (5 points)

See Appendix for a breakdown of points calculation

6

### Trend

This is an improvement based on the prior year (16 points), but the scope is very different.

### Total number of findings

	Critical	High	Medium	Low	Advisory
<b>Control design</b>	0	0	0	1	0
<b>Operating effectiveness</b>	0	0	0	4	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>

## Executive summary (2 of 2)



### Headlines/summary of findings

This review has focused on providing assurance to the Partnership around the proper application of controls in relation to the Council Tax and NNDR processes. The outcome is a report with a low risk rating, as there were 5 low risk findings.

### Exemptions and discounts

The Partnership has appropriate policies and procedures in place for managing exemptions and discounts. We do suggest that the practice of allowing discounts when a property becomes vacant following a phone call only is reviewed.

Most procedures are operating effectively, but 11 of 25 Council tax exemptions and discounts tested had not had their annual review. In our testing of 25 business rates exemptions and discounts, 2 had not had a review of circumstances.

### Reconciliations

Reconciliations between the Academy system and financial systems are performed by the individual Councils and not by the Partnership. On a monthly basis the figures for Council Tax and Business Rates are shared with the respective finance teams to reconcile. Since this process is undertaken by the individual finance teams we have not performed testing over these reconciliations.

As part of our financial audit at Hinckley & Bosworth Borough Council we have tested that these reconciliations are taking place on a timely basis, and that the reconciliations are reviewed and variances are investigated, and no exceptions were noted.

There are appropriate policies and procedures in place. We found some were not always followed completely.

There are weekly reconciliations to reports from the Valuation Office to ensure that property records are complete. 4 of the 15 reconciliations had no evidence of review, and there had been delay in 3 cases.

There is daily reconciliation of the finance system to cash collected by the Business Development Team. 5 of the 60 Council Tax reconciliations and 1 of the 60 Business Rate reconciliations had no evidence of review.

### Risk based verification

We have also undertaken analysis of the application of risk based verification and provided further comments within the content of this report.

We would like to thank all the staff involved for their help in supporting the internal audit review.

## Current year findings (1 of 5)

### Valuation Office reconciliations Operating Effectiveness

1

11

#### Finding rating

Rating

Low

#### Finding and root cause

A Valuation Office schedule is received every week by the Leicestershire Revenues and Benefits Partnership which details any new properties, any amendments to bands of properties and any deleted properties in relation to both Council Tax and Business Rates. On a weekly basis a reconciliation is performed to agree the schedule to the Academy system and reviewed. Our testing identified that for the Council Tax reconciliations:

- 4 of the 15 reconciliations, 3 Harborough and 1 Hinckley & Bosworth, there was no evidence that the reconciliation had been performed; and
- 3 of the 15 reconciliations, 2 Harborough and 1 North West Leicestershire were delayed in being reviewed. The delays were between 55 and 80 days.

No issues were identified with the Business Rates reconciliations demonstrating a strong control environment.

#### Implications

New properties may not be identified on a timely basis to ensure maximum revenue.

#### Action plan

Since the audit finding was raised staff dealing with VO schedules have been reminded to print the system / VO totals and balance and seek sign off of the reconciliations in a timely manner.

*Responsible person/title:*

Sally O’Hanlon (Head of Leicestershire Revenues and Benefits Partnership)

*Target date:*

Already completed since the finding was identified

## Current year findings (2 of 5)

### Cash collection reconciliation

Operating effectiveness

12

2

#### Finding rating

Rating

Low

#### Finding and root cause

A reconciliation between the Academy system and cash collection is performed on a daily basis by the Business Development Team to ensure that cash is appropriately allocated on a timely basis. Our testing identified that for:

- 5 of the 60 Council Tax reconciliations, 4 Hinckley & Bosworth and 1 North West Leicestershire, there was no evidence that the reconciliation had been performed.

#### Implications

Variances between the Academy system and cash collected may not be identified and resolved on a timely basis.

#### Action plan

Evidence of reconciliations being reviewed should be retained to demonstrate the process is being adhered to.

*Responsible person/title:*

Leigh Butler

*Target date:*

July 2018

## Current year findings (3 of 5)

### Council Tax Exemptions and Discounts

#### Operating effectiveness

13 **3**

#### Finding rating

Rating

Low

#### Finding and root cause

The onus is on residents to inform the Council regarding any changes in their circumstances. However, every two years a review is performed - a letter is sent out to occupied properties currently in receipt of a discount or exemption to confirm that their circumstances have not changed and the applied exemption or discount remains appropriate.

Testing identified 11 of the 25 exemptions and discounts sampled where this annual review had not taken place. This related to 3 Hinckley & Bosworth Borough Council and 8 North West Leicestershire properties. Of these:

- 2 of the 11 did not have a review date included on the system;
- 4 of the 11 had a review date in the past, however this was incorrect and the system had not been updated; and
- 5 of the 11 had a review date recorded in the system which had passed but no review had taken place.

#### Implications

Discount and exemptions may continue to be awarded even though the property is no longer eligible.

#### Action plan

A full paper review will be completed for students and disabled reductions by the end of September 2018. Staff have been given clear instructions to add review dates then we can timetable in the reviews in conjunction with the systems team.

*Responsible person/title:*

Sally O'Hanlon (Head of Leicestershire Revenues and Benefits Partnership)

*Target date:*

September 2018

## Current year findings (4 of 5)

### Business Rates Exemptions and Discounts

Operating effectiveness

14

# 4

#### Finding and root cause

Individuals can contact the Partnership requesting an appropriate discount or exemption is applied to their account should they meet the criteria and can provide appropriate evidence.

An annual check is undertaken on unoccupied properties to ensure that the exemption from Business Rate charges remains appropriate. 2 of the 25 exemptions and discounts tested, 1 from North West Leicestershire and 1 from Hinckley and Bosworth Borough Council identified that a review of circumstances was due in November 2017. This had not been undertaken at the date of the audit fieldwork owing to a number of inspections being undertaken in relation to new properties by the inspection team.

#### Implications

Discount and exemptions may continue to be awarded even though the property is no longer eligible.

#### Action plan

Since the audit finding was identified as good practice staff have been reminded to ensure that there is always either a form or comprehensive notes are put on the account to show that we have verified the criteria before making the award. This will ensure that appropriate evidence is retained to substantiate the award of Business Rate discounts.

Support should be provided to the inspection team to ensure that an annual review of unoccupied properties is undertaken on a timely basis.

*Responsible person/title:*

Sally O'Hanlon (Head of Leicestershire Revenues and Benefits Partnership)

*Target date:*

Already completed since the finding was identified

#### Finding rating

Rating

Low

## Current year findings (5 of 5)

### Business Rates Exemptions and Discounts

#### Control Design

15

5

#### Finding rating

Rating

Low

#### Finding and root cause

Businesses are eligible to receive a number of different discounts and exemptions. In order to obtain an exemption where a property is empty individuals can telephone the Partnership and request such an exemption is applied. The Partnership will make a note on the system record of the phone call to evidence why the exemption has been applied. In all other cases a request is required in writing and consideration should be given as to whether a telephone call is sufficient to justify application of an exemption. In all instances tested a record of the phone call was recorded on the system to support the application of an exemption.

The onus is on businesses to inform the Partnership regarding any changes in their circumstances which may affect the receipt of discounts and exemptions. Although an annual check is undertaken on unoccupied properties we identified that there is equivalent check performed on occupied properties to confirm that discounts such as Small Business Rate and Charitable Relief remain appropriate.

#### Implications

Discount and exemptions may continue to be awarded even though the property is no longer eligible.

#### Action plan

A review of all SBR/Charitable cases is scheduled for the 2018/19 as is a promotion about eligibility for SBR.

It should be noted that the NFI are running a pilot around SBR fraud, this would be wider than any review we could undertake and if this or any other initiative is adopted we would not continue with the above scheduled work. Additionally the partnership have also signed up to a product offered by Destin to identify Small Business Rate Relief Fraud, this looks over the whole country not just the region.

*Responsible person/title:*

Sally O’Hanlon (Head of Leicestershire Revenues and Benefits Partnership)

*Target date:*

March 2019

## Risk Based Verification

### Analysis

In November 2015 the Leicestershire Revenues and Benefits Partnership approved the purchase and implementation of Risk Based Verification software.

The Risk Based Verification Software has been purchased from Capita Business Services Limited with an initial set up cost of £7,500 and an annual charge of £15,500, initially for a period of 2 years.

The arrangement with Capita involves a partnership with Xantura who provide a risk score based on an algorithm based upon statistical analysis of different claims. The algorithm is recalibrated on a monthly basis following review of cases and results.

The Partnership has no visibility over factors which influence the risk score and anecdotal reports highlight that there is sometimes no correlation between expected risk level and the Xantura risk score. For instance, self employed income is seen as low risk whereas experience of officers would indicate this to be higher risk.

The original Joint Committee report stated the benefits of such products to be:

*“improvement to processing times for benefit new claims and in 2016/17 will incorporate change of circumstances.”*

Benefits are realised as each claim is risk scored into 3 groups to enable benefits officers to determine the level of verification based on the presented score.

- **Low Risk** - This means that the benefits officer is able to ‘fast track’ the determination so long as they have all the information to process entitlement plus evidence of identity.
- **Medium risk** - This means that the benefit officer will follow ‘business as usual’ verification processes before the claim is determined
- **High risk** - This means that claims will follow the verification at ‘Medium risk’ and may involve additional stated action e.g. a visit and 3 monthly reviews

The minimum standards of verification for each risk band were agreed in October 2016 as part of the RBV policy and are subject to annual review. As part of our audit last year, we reviewed the policy and confirmed it is fit for purpose and largely consistent with the approach undertaken by other authorities who have adopted RBV. We have identified that no formal review of the policy has occurred and we would encourage management to undertake this review to confirm that the policy remains relevant. From discussions with management it is felt that the policy does remain appropriate.

The original business case did not stipulate what proportion of cases are expected to be classified into each of the low, medium and high risk categories. However, Xantura’s risk model indicated:



## Risk Based Verification

### Analysis

The original business case did not stipulate what proportion of cases are expected to be classified into each of the low, medium and high risk categories. However, Xantura’s risk model indicated:

Risk band #	Risk level	Distribution of risk	Likelihood of finding error in the claim
1	HIGH	21%	27%
2			
3			
4	MEDIUM	27%	11%
5			
6			
7	LOW	52%	3%
8			
9			
10			
11			
12			
13			
14			
15			

From our comparison to other organisations RBV policies were expected to be classified, on average, as detailed below. For the large proportion of the organisations the expected distribution as driven by the guidance provided by the DWP.

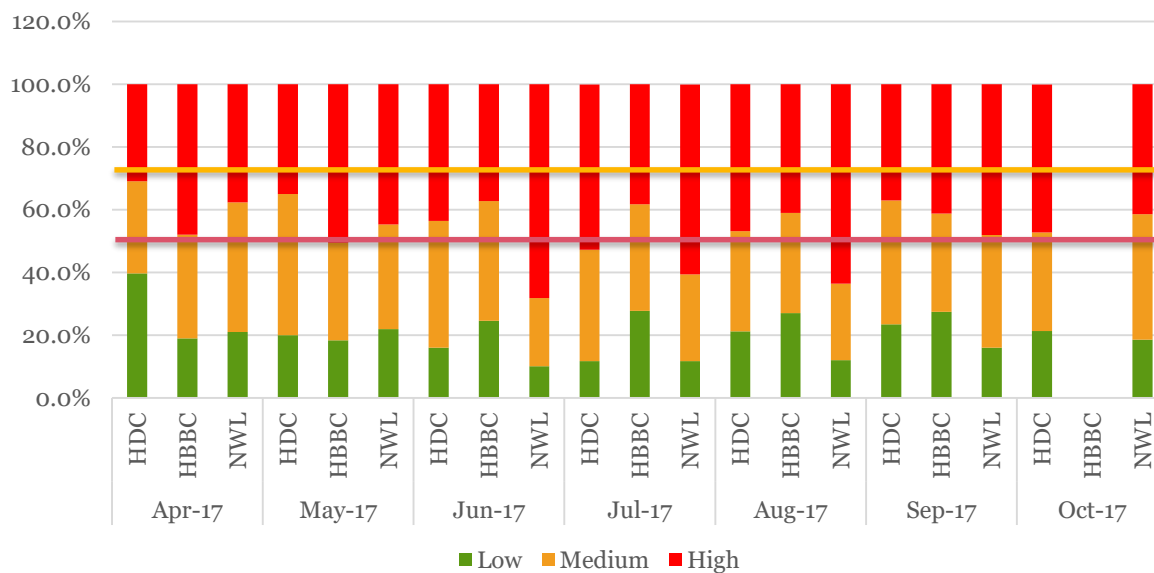
Risk level	Average	DWP guidance	LRBP expected
Low	54%	55%	52%
Medium	26%	25%	27%
High	21%	20%	21%

# Risk Based Verification

## Analysis

From our review of the April 2017 to October 2017 data:

Risk Distribution Analysis - per month



This demonstrates that the actual distribution of cases between April 2017 and October 2017 is significantly different to the expected risk model. On average, the distribution is fairly consistent across the three authorities, with North West Leicestershire having slightly more low risk cases.

Identifying actual performance and make up of RBV cases within other organisations is quite difficult but where information was available we have identified that compared to other organisations operating RBV the Council has a higher proportion of high risk rated cases. The comparator group is from across the country with a wide range of demographics and population make up. We would encourage the Partnership to meet with other authorities and assess their risk profile.

# Risk Based Verification

## Analysis

	HDC	HBBC	NWL	Average of other organisations
Low	22%	24%	16%	55%
Medium	36%	33%	32%	23%
High	42%	43%	52%	22%

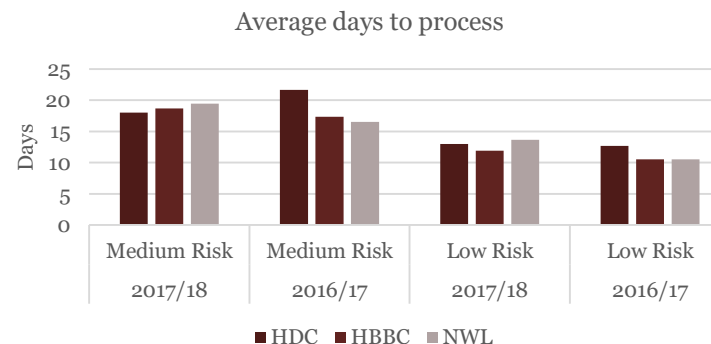
Although the distribution is different to expectation it should be emphasised that the previous method of assessing all cases without applying a risk score would have been aligned to a 'medium' risk score. As a result, any cases which are classified as 'low' risk demonstrates an efficiency saving in reviewing evidence. The additional effort required to process the 'high' risk claims focuses efforts on the claims which are considered to be the area of highest risk to ensure the accuracy of these claims before any payment is made.

Whilst this information is provided to the authority it does not feature as a key reporting area. Since the authorities do not have any influence over the risk score this is considered to be appropriate. The main mechanism for monitoring performance within the Partnership is around processing times. The most recent information shows the following average processing time for new claims (days):

	Sep-17	Oct-17	Nov-17	Dec-17
HBBC	18.4	15.48	16.41	11.2
HDC	15.5	17.94	15.58	15.93
NWL	15.88	17.31	14.12	19.75

There is limited correlation between processing times and the risk score distribution. For HDC despite the fact that the proportion of high risk cases dropped the processing time still increased.

	HDC		HBBC		NWL	
	Sep-17	Oct-17	Sep-17	Oct-17	Sep-17	Oct-17
High	24%	21%	28%	16%	16%	19%
Medium	40%	31%	31%	36%	40%	40%
Low	37%	47%	41%	48%	41%	41%
Processing time	15.5	17.9	18.4	15.5	15.9	17.3



## *Risk Based Verification*

### **Analysis**

The higher risk cases take a longer time to process owing to the additional evidence required. However, by investing the time upfront the authority is saving time and resources later as more effort is undertaken to ensure that claims are accurate and reduce the likelihood of fraud or overpayment upon initial establishment of the claim. There is no direct correlation between fraud and RBV but the figures are masked by the increase in fraud referrals arising from RTI so it is not possible to identify a link between RBV and a reduction in fraud cases.

RBV is applied to all claims. Staff do have the ability to override the risk score and increase if they are concerned it is inaccurate. This is only undertaken after discussions with the senior benefits officers in the team. Such action would be recorded and justified within the claim notes. It is not possible to quantify how many cases this applies to but it would be verified as part of the subsidy audits and internal quality checks which take place within the team. Claims cannot have their risk score reduced.

It is pleasing to see that management provide the Partnership with a regular update summarising the average risk distribution and information around processing times. This enables members to take assurance regarding the implementation of RBV and support its continuing implementation.

20

### **Action plan**

The Revenues and Benefits Partnership should look to implement:

- no formal review of the RBV policy has occurred since it was introduced and we would encourage management to formally undertake this review to confirm that the policy remains relevant; and
- Discuss with Xantura the variances between the average risk profile to understand why the Leicestershire district appears to have a significantly higher proportion of high and medium risk rated cases.



**Appendix A: Basis of our  
classifications**

**Appendix B: Terms of  
reference**

**Appendix C: Limitations  
and responsibilities**

---

# *Appendices*

## Appendix A: Basis of our classifications

### Individual finding ratings

#### Critical

A finding that could have a:

- **Critical** impact on operational performance; or
- **Critical** monetary or financial statement impact; or
- **Critical** breach in laws and regulations that could result in material fines or consequences; or
- **Critical** impact on the reputation or brand of the organisation which could threaten its future viability.

#### High

A finding that could have a:

- **Significant** impact on operational performance; or
- **Significant** monetary or financial statement impact; or
- **Significant** breach in laws and regulations resulting in significant fines and consequences; or
- **Significant** impact on the reputation or brand of the organisation.

#### Medium

A finding that could have a:

- **Moderate** impact on operational performance; or
- **Moderate** monetary or financial statement impact; or
- **Moderate** breach in laws and regulations resulting in fines and consequences; or
- **Moderate** impact on the reputation or brand of the organisation.

## Appendix A: Basis of our classifications

### Individual finding ratings

**Low**

A finding that could have a:

- **Minor** impact on the organisation’s operational performance; or
- **Minor** monetary or financial statement impact; or
- **Minor** breach in laws and regulations with limited consequences; or
- **Minor** impact on the reputation of the organisation.

**Advisory**




A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.

23

### Report classifications

The report classification is determined by allocating points to each of the findings included in the report.

Findings rating	Points
Critical	40 points per finding
High	10 points per finding
Medium	3 points per finding
Low	1 point per finding

Report classification	Option A	Points
	Low risk	6 points or less
	Medium risk	7 – 15 points
	High risk	16 – 39 points
	Critical risk	40 points and over

## Appendix B: Terms of reference

24





## Background and audit objectives



This review is being undertaken as part of the 2017/2018 internal audit plan approved by the Audit Committee.

### Background and audit objectives

Leicestershire Revenues & Benefits Partnership was set up in 2011 as a partnership between Hinckley and Bosworth Borough Council, North West Leicestershire District Council and Harborough District Council. The Partnership is responsible for the collection of Council Tax and National Non-Domestic Rates (NNDR) and for administration of Housing Benefits, on behalf of these three Councils.

This review is being undertaken to provide assurance to the Partnership around the proper application of controls in relation to the Council Tax and NNDR processes. There have been limited changes in the overall control environment and officers have not identified any specific areas of concern or heightened risk therefore this review will focus on the key controls to ensure they continue to operate as designed.

Since all authorities within the Partnership are subject to intensive subsidy audits by their external auditors covering key controls each year the Housing Benefits element of this review is focused more towards the application of the Risk Based Verification (RBV) policy. RBV is a method of applying different levels of checks to benefit claims according to the risk associated with those claims. The approach allows for a more intense verification activity to be focused on claims more prone to fraud and error. The Management Board and Partnership Joint Committee approved its RBV policy and started to apply RBV from October 2016 using risk scoring software developed by Xantura and Capita.

The Partnership has been advised to review the risk scoring algorithm after a full year of implementation and this review will be the first of a series of work focused on assessing the current level of performance compared against the original proposed business case. Where there are variances from expectation we will investigate the causes of this and provide links to other developments in the Partnership such as the level of overpayment, fraud cases and universal credit introduction.

## Audit scope and approach (1 of 2)



### Scope

We will review the design and operating effectiveness of key controls in place relating to the auditable unit during the period April 2017 to the date of audit testing.

The sub-processes, risks and related control objectives included in this review are:

Sub-process	Risks	Objectives
Valuation	<ul style="list-style-type: none"> <li>The Authority is not collecting Council Tax for all relevant properties</li> </ul>	<ul style="list-style-type: none"> <li>All properties are correctly identified, valued and billed to ensure maximum revenue is received. The totals reconcile to the Valuation Office Directions</li> </ul>
Accounting for Council Tax and Business Rates	<ul style="list-style-type: none"> <li>The financial records do not reconcile to the underlying systems and cash collected</li> </ul>	<ul style="list-style-type: none"> <li>Reconciliations between the Academy system and the general ledger are performed and reviewed</li> <li>Reconciliations between Academy and the cash collected are performed and reviewed</li> </ul>
Discounts and exemptions	<ul style="list-style-type: none"> <li>Discounts are awarded that are not warranted or appropriate</li> </ul>	<ul style="list-style-type: none"> <li>Discounts and exemptions are applied to accounts on an accurate and timely basis and are reviewed regularly</li> </ul>
Risk based verification	<ul style="list-style-type: none"> <li>The Authority fails to realise the benefits projected through risk based verification</li> </ul>	<ul style="list-style-type: none"> <li>Actual performance of the Risk Based Verification policy is in line with initial business case. Where there are variances these are monitored and understood by the Authority</li> </ul>

## Audit scope and approach (2 of 2)



### Limitations of scope

The scope of our work will be limited to those areas outlined above. Our review will be performed in the context of the information provided to us.

### Audit approach

Our audit approach is as follows:

- Obtain an understanding of the relevant Revenues and Benefits processes through discussions with key personnel, review of systems documentation and walkthrough tests, where appropriate;
- Identify the key risks within the Revenues and Benefits processes;
- Evaluate the design of the controls in place to address the key risks; and
- Test the operating effectiveness of the key controls.

Where the process and controls are consistent across all three Local Authorities of the Partnership these will be considered in totality and testing performed on this basis. Individual testing of each Local Authority will only take place where the controls and processes differ.

## Internal audit team and key contacts



### Internal audit team

Name	Title	Contact details
Richard Bacon	Head of Internal Audit	richard.f.bacon@pwc.com
Jodie Stead	Internal Audit Manager	jodie.a.stead@pwc.com
Mark Vu	Internal Audit team member	bach.h.vu@pwc.com

### Key contacts – Hinckley & Bosworth Borough Council

Name	Title
Ashley Wilson	Section 151 Officer
Sally O'Hanlon	Head of Leicestershire Revenues & Benefits Partnership

## Timetable and information request



### Timetable

Fieldwork start	4 December 2017
Fieldwork completed	8 December 2017
Closing meeting to discuss findings	21 December 2017
Draft report to client	22 December 2017
Response from client	12 January 2018
Final report to client	19 January 2018

Agreed timescales are subject to the following assumptions:

- All relevant documentation, including source data, reports and procedures, will be made available to us promptly on request.
- Staff and management will make reasonable time available for interviews and will respond promptly to follow-up questions or requests for documentation.

*Please note that if Hinckley and Bosworth Borough Council requests the audit timing to be changed at short notice and the audit staff cannot be deployed to other client work, Hinckley and Bosworth Borough Council may still be charged for all/some of this time. PwC will make every effort to redeploy audit staff in such circumstances.*

### Information request

- Original business case and projected usage for Risk Based Verification
- Latest reports showing actual usage of Risk Based Verification
- Listing of all discounts applied
- Access to Valuation Office Directions
- Access to reconciliations

## Appendix C: Limitations and responsibilities

### Limitations inherent to the internal auditor's work

We have undertaken this review subject to the limitations outlined below:

#### Internal control

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

#### Future periods

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness is not relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulation or other changes; or
- The degree of compliance with policies and procedures may deteriorate.

### Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.

This document has been prepared only for Hinckley and Bosworth Borough Council and solely for the purpose and on the terms agreed with Hinckley and Bosworth Borough Council in our agreement dated 10 May 2016. We accept no liability (including for negligence) to anyone else in connection with this document, and it may not be provided to anyone else.

Internal audit work was performed in accordance with PwC's Internal Audit methodology which is aligned to Public Sector Internal Audit Standards. As a result, our work and deliverables are not designed or intended to comply with the International Auditing and Assurance Standards Board (IAASB), International Framework for Assurance Engagements (IFAE) and International Standard on Assurance Engagements (ISAE) 3000.

In the event that, pursuant to a request which Hinckley and Bosworth Borough Council has received under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004 (as the same may be amended or re-enacted from time to time) or any subordinate legislation made thereunder (collectively, the "Legislation"), Hinckley and Bosworth Borough Council is required to disclose any information contained in this document, it will notify PwC promptly and will consult with PwC prior to disclosing such document. Hinckley and Bosworth Borough Council agrees to pay due regard to any representations which PwC may make in connection with such disclosure and to apply any relevant exemptions which may exist under the Legislation to such report. If, following consultation with PwC, Hinckley and Bosworth Borough Council discloses any this document or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

© 2017 PricewaterhouseCoopers LLP. All rights reserved. In this document, "PwC" refers to the UK member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.

This page is intentionally left blank





33

# Revenue and Benefit Service

## Council Tax – Local Discounts

28 June 2018

Partnership Joint Committee

## **1. PURPOSE OF THE REPORT**

1.1 To provide a briefing note with regard council tax local discounts

## **2. RECOMMENDATION**

2.1 To agree the way forward and next steps.

## **3. INTRODUCTION**

3.1 The Local Government Finance Act 1992 (LGFA 1992) (as amended) gives powers to enable billing authorities to reduce the amount of council tax liability, including reducing the amount to nil, for any individual taxpayer or group of taxpayers.

3.2 Section 11A of LGFA 2012 amends 11A of the LGFA 1992 and provides for the Council to determine its own discount for unoccupied and unfurnished property.

3.3 Section 12 of LGFA 2012 amends 11B of the LGFA 1992 and provides that the billing authority can charge council tax liability up to 150% for property that has been empty and substantially unfurnished for more than 2 years.

3.4 The government's intention is that local authorities will be given additional discretion to increase the premium to 100% from 1<sup>st</sup> April 2019.

## **4. BACKGROUND**

4.1 In April 2013 each Council introduced its own changes to discounts for Council Tax empty properties. At the same time included the introduction of a new local Council Tax Reduction Scheme that replaced the national council tax benefit schema.

4.2 Each authority has determined its own arrangements for its decision making regarding any changes made to council tax.

4.3 The changes to council tax empty properties for each council are outlined below.

### Hinckley & Bosworth Borough Council

- Removal of Second Home 10% discount
- Empty and unfurnished properties a reduction from 100% relief from 6 months to 1 month
- Properties undergoing major structural repairs discount reduced from 100% to 50% for a period of up to 12 months

### Harborough District Council

- Empty and unfurnished properties a reduction from 100% relief from 6 months to 1 month
- Properties undergoing major structural repairs discount reduced from 100% to 50% for a period of up to 12 months

### North West Leicestershire District Council

- Empty and unfurnished properties a reduction from 100% relief from 6 months to 1 month
- Properties undergoing major structural repairs discount reduced from 100% to 50% for a period of up to 12 months

4.4 In April 2018 Harborough District Council following consultation during 2017 introduced further changes in the treatment of empty properties. The prime objective was to encourage owners to release empty properties back into use.

### Council Tax Premium

Introduction of 50% premium for properties that had been continually empty for more than 730 days i.e. greater than 2 years

Currently there are 124 properties and this has realised an additional gross income of £107,000

### Second Homes

Removal of second home 10% discount

Currently there are 199 properties and this has realised an additional gross income of £18,000

### Properties under major structural repairs

Removal of 50% discount for properties that are undergoing structural repairs from 50% to 0%

Currently there are 26 properties and this has realised an additional gross income of £27,000

4.5 Below is the current situation with regard to council tax discounts for each council.

Council Tax Discounts			
	HBBC	HDC	NWLDC
Second Homes	0%	0%	10%
Long Term Empty 50% Premium	0%	50%	0%
Under Major Repairs (Up to 12 months)	50%	0%	50%
Empty One Month	100%	100%	100%

## 5. COUNCIL TAX ANALYSIS EMPTY PROPERTIES

5.1 The following detailed analysis has been extracted from Capita council tax modelling reports on 8<sup>th</sup> May 2018.

5.2 The average Band D council tax figure that has been used is from local tax base 2018/19 report for each council. See below for amounts used:

- Hinckley & Bosworth Borough Council      £1,594.34
- Harborough District Council                      £1,632.56
- North West Leicestershire District Council    £1,653.91

5.3 The gross income estimated income mentioned is included in the overall council local tax base and included in the net collectable debit before any deductions have been made for losses on collection. The major preceptors will receive an element of this as part of council tax setting

5.4 The information below is for Hinckley & Bosworth Borough Council. As mentioned in 3.2 above they removed the second home discount with effect from 1<sup>st</sup> April 2013 so analysis on this has been provided.

- Long term empty properties estimated potential gross income £103,721 – 50% Premium applied
- Uninhabitable undergoing major structural repairs estimated potential gross income £24,003

<b>Long Term Empty Properties</b>									
	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Numbers as at 8/5/18	65	35	23	19	8	0	5	1	156
Band Charge	£1,062.89	£1,240.04	£1,417.19	£1,594.34	£1,948.64	£2,302.94	£2,657.23	£3,188.68	
50% Premium	£34,543.93	£21,700.70	£16,297.69	£15,146.23	£7,794.56	£0.00	£6,643.08	£1,594.34	
<b>Gross additional revenue:</b>	<b>£34,543.93</b>	<b>£21,700.70</b>	<b>£16,297.69</b>	<b>£15,146.23</b>	<b>£7,794.56</b>	<b>£0.00</b>	<b>£6,643.08</b>	<b>£1,594.34</b>	<b>£103,720.52</b>
100% Premium	£34,543.93	£21,700.70	£16,297.69	£15,146.23	£7,794.56	£0.00	£6,643.08	£1,594.34	
<b>Potential Gross additional Income</b>	<b>£34,543.93</b>	<b>£21,700.70</b>	<b>£16,297.69</b>	<b>£15,146.23</b>	<b>£7,794.56</b>	<b>£0.00</b>	<b>£6,643.08</b>	<b>£1,594.34</b>	<b>£103,720.52</b>
<b>Uninhabitable/Major Works</b>									
	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Numbers as at 8/5/18	3	9	8	7	2	2	1	0	32
Band Charge	£1,062.89	£1,240.04	£1,417.19	£1,594.34	£1,948.64	£2,302.94	£2,657.23	£3,188.68	
50% Payable	£1,594.34	£5,580.18	£5,668.76	£5,580.19	£1,948.64	£2,302.94	£1,328.62	£0.00	
100% Payable	£3,188.67	£11,160.36	£11,337.52	£11,160.38	£3,897.28	£4,605.88	£2,657.23	£0.00	
<b>Gross additional revenue:</b>	<b>£1,594.34</b>	<b>£5,580.18</b>	<b>£5,668.76</b>	<b>£5,580.19</b>	<b>£1,948.64</b>	<b>£2,302.94</b>	<b>£1,328.62</b>	<b>£0.00</b>	<b>£24,003.66</b>

5.5 The information below is for North West Leicestershire District Council.

- Long term empty properties estimated potential gross income £118,806 – 50% premium applied
- Uninhabitable undergoing major structural repairs estimated potential gross income £24,902
- Second Home Discount estimated gross income £20,821

### Long Term Empty Properties

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Numbers as at 8/5/18	102	32	24	10	5	3	3	2	181
Band Charge	£1,102.61	£1,286.37	£1,470.14	£1,653.91	£2,021.45	£2,388.98	£2,756.52	£3,307.82	
50% Premium	£56,233.11	£20,581.92	£17,641.68	£8,269.55	£5,053.63	£3,583.47	£4,134.78	£3,307.82	
<b>Potential gross additional revenue:</b>	<b>£56,233.11</b>	<b>£20,581.92</b>	<b>£17,641.68</b>	<b>£8,269.55</b>	<b>£5,053.63</b>	<b>£3,583.47</b>	<b>£4,134.78</b>	<b>£3,307.82</b>	<b>£118,805.96</b>
100% Premium	£56,233.11	£20,581.92	£17,641.68	£8,269.55	£5,053.63	£3,583.47	£4,134.78	£3,307.82	
<b>Potential gross additional revenue:</b>	<b>£56,233.11</b>	<b>£20,581.92</b>	<b>£17,641.68</b>	<b>£8,269.55</b>	<b>£5,053.63</b>	<b>£3,583.47</b>	<b>£4,134.78</b>	<b>£3,307.82</b>	<b>£118,805.96</b>

### Uninhabitable/Major Works

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Numbers as at 8/5/18	3	9	8	7	2	2	1	0	32
Band Charge	£1,102.61	£1,286.37	£1,470.14	£1,653.91	£2,021.45	£2,388.98	£2,756.52	£3,307.82	
50% Payable	£1,653.92	£5,788.67	£5,880.56	£5,788.69	£2,021.45	£2,388.98	£1,378.26	£0.00	
100% Payable	£3,307.83	£11,577.33	£11,761.12	£11,577.37	£4,042.90	£4,777.96	£2,756.52	£0.00	
<b>Potential gross additional revenue:</b>	<b>£1,653.92</b>	<b>£5,788.67</b>	<b>£5,880.56</b>	<b>£5,788.69</b>	<b>£2,021.45</b>	<b>£2,388.98</b>	<b>£1,378.26</b>	<b>£0.00</b>	<b>£24,900.52</b>

### Second Home Discount

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Numbers as at 8/5/18	45	47	30	16	7	1	4	0	150
Band Charge	£1,102.61	£1,286.37	£1,470.14	£1,653.91	£2,021.45	£2,388.98	£2,756.52	£3,307.82	
Loss of 10% discount	£4,961.75	£6,045.94	£4,410.42	£2,646.26	£1,415.02	£238.90	£1,102.61	£0.00	
<b>Potential gross additional revenue:</b>	<b>£4,961.75</b>	<b>£6,045.94</b>	<b>£4,410.42</b>	<b>£2,646.26</b>	<b>£1,415.02</b>	<b>£238.90</b>	<b>£1,102.61</b>	<b>£0.00</b>	<b>£20,820.88</b>

5.6 The information below is for Harborough District Council to illustrate council tax long term empty premium.

<b>Long Term Empty Properties</b>									
	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Numbers as at 8/5/18	29	28	24	11	18	6	8	0	124
Band Charge	£1,088.37	£1,269.77	£1,451.16	£1,632.56	£1,995.35	£2,358.14	£2,720.93	£3,265.12	
150% Charge applied	£15,781.37	£17,776.78	£17,413.92	£8,979.08	£17,958.15	£7,074.42	£10,883.72	£0.00	
100% Premium	£15,781.37	£71,107.12	£69,655.68	£35,916.32	£71,832.60	£28,297.68	£43,534.88	£0.00	
<b>Potential gross additional revenue:</b>	<b>£15,781.37</b>	<b>£17,776.78</b>	<b>£17,413.92</b>	<b>£8,979.08</b>	<b>£17,958.15</b>	<b>£7,074.42</b>	<b>£10,883.72</b>	<b>£0.00</b>	<b>£95,867.44</b>

## 6. COUNCIL TAX REMOVAL OF ONE MONTH EMPTY DISCOUNT

6.1 The three Councils could also consider that the one month discount is removed for empty properties. This discount commences as soon as the property becomes empty and the condition is that it was previously occupied beforehand..

6.2 The relief is granted to either the owner or tenant of the property and by removing this discount would remove the current issues with vacation dates especially for properties that are tenanted.

6.3 The software application does not have a unique relief code and uses the previous council tax class c exemption code and grants this for 6 months initially. If the property is then occupied within that six month period it will adjust the amount against the original transaction code. In essence you cannot isolate the relief granted and applied for the one month period.

6.4 The analysis provided is a snapshot as at 8<sup>th</sup> May 2018 for properties that are currently in receipt of this discount and the amount has been calculated based on one month's relief.

6.5 The Council tax Band D charge as mentioned above in 4.2 has been used in the calculation. The amount for Harborough District Council is £1,632.56.

6.6 This will also remove the additional burden in our administration when liabilities have to be changed when disputes arise including issue of adjustment notices to each party.

6.7 Hinckley and Bosworth Borough Council calculations – see below:

### One Month Discount

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Numbers as at 8/5/18	21	28	13	8	4	5	2	0	81
Band Charge	£1,062.89	£1,240.04	£1,417.19	£1,594.34	£1,948.64	£2,302.94	£2,657.23	£3,188.68	
Gross	£22,320.69	£34,721.12	£18,423.47	£12,754.72	£7,794.56	£11,514.70	£5,314.46	£0.00	
Average per dwelling	£88.57	£103.34	£118.10	£132.86	£162.39	£191.91	£221.44	£265.72	
<b>*One month discount</b>	<b>£1,860.06</b>	<b>£2,893.43</b>	<b>£1,535.29</b>	<b>£1,062.89</b>	<b>£649.55</b>	<b>£959.56</b>	<b>£442.87</b>	<b>£0.00</b>	<b>£9,403.64</b>
<i>*The above is based if one month was granted and they received total amount</i>									

6.8 Harborough District Council calculations – see below:

### One Month Discount

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Numbers as at 8/5/18	6	10	8	1	3	3	1	0	32
Band Charge	£1,088.37	£1,269.77	£1,451.16	£1,632.56	£1,995.35	£2,358.14	£2,720.93	£3,265.12	
Gross	£6,530.22	£12,697.70	£11,609.28	£1,632.56	£5,986.05	£7,074.42	£2,720.93	£0.00	
Average per dwelling	£90.70	£105.81	£120.93	£136.05	£166.28	£196.51	£226.74	£272.09	
<b>*One month discount</b>	<b>£544.19</b>	<b>£1,058.14</b>	<b>£967.44</b>	<b>£136.05</b>	<b>£498.84</b>	<b>£589.54</b>	<b>£226.74</b>	<b>£0.00</b>	<b>£4,020.93</b>
<i>*The above is based if one month was granted and they received total amount</i>									

6.9 North West Leicestershire District Council calculations – see below

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Numbers as at 8/5/18	38	20	9	13	11	2	2	0	95
Band Charge	£1,062.89	£1,240.04	£1,417.19	£1,594.34	£1,948.64	£2,302.94	£2,657.23	£3,188.68	
Gross	£40,389.82	£24,800.80	£12,754.71	£20,726.42	£21,435.04	£4,605.88	£5,314.46	£0.00	
Average per dwelling	£88.57	£103.34	£118.10	£132.86	£162.39	£191.91	£221.44	£265.72	
<b>*One month discount</b>	<b>£3,365.82</b>	<b>£2,066.73</b>	<b>£1,062.89</b>	<b>£1,727.20</b>	<b>£1,786.25</b>	<b>£383.82</b>	<b>£442.87</b>	<b>£0.00</b>	<b>£10,835.59</b>
<i>*The above is based if one month was granted and they received total amount</i>									



## 7. COUNCIL TAX DISCOUNTS POSITION FOR LEICESTERSHIRE AND RUTLAND

7.1 The table below outlines the current position

	<b>Blaby</b>	<b>Charnwood</b>	<b>Harborough</b>	<b>Hinckley &amp; Bosworth</b>	<b>North West Leicester</b>	<b>Melton</b>	<b>Oadby &amp; Wigston</b>	<b>Rutland</b>
Unoccupied and unfurnished 1-5 months	<i>1 month 100% discount</i>	Full charge	<i>1 month 100% discount</i>	<i>1 month 100% discount</i>	<i>1 month 100% discount</i>	<i>1 month 100% discount</i>	<i>28 day discount</i>	Full charge
Unoccupied and unfurnished 6+ months	full charge	full charge	full charge	full charge	full charge	full charge	full charge	full charge
Unoccupied and unfurnished 2+ Years	<i>No premium</i>	premium 150%	Premium introduced from 1.4.18	<i>no premium</i>	<i>No premium</i>	Premium 150%	Premium 150%	premium 150%
Unoccupied, unfurnished and uninhabitable	<i>50% up to 12 months</i>	<i>50% up to 12 months</i>	full charge	<i>50% up to 12 months</i>	<i>50% up to 12 months</i>	<i>50% up to 12 months</i>	<i>50% up to 12 months</i>	full charge
Second homes	10% discount	full charge	full charge	full charge	10% discount	full charge	full charge	full charge

41

## 8. CONSULTATION

8.1 The Local Government Finance Act 2012 requires councils to consult on any proposed changes and need the process to be adopted. Some guidance for consideration is outlined below:

- consult with precept authorities,
- consult such other persons as it consider are likely to have an interest in the changes being introduced,
- The Government code of practice for consultation suggests consultation should last for “proportionate amount of time” on the basis of legal advice and taking into account the nature and impact of the proposal. Usually the consultation period used has been between 8-12 weeks,
- Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals and
- Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach. Suggested engagement plan – see below:

<b>Council Tax – Engagement Plan</b>		
<b>Date</b>	<b>Activity</b>	<b>Responsible</b>
By 15th June	Consult Major Preceptors	S151
<b>Jun-18</b>		
By 22nd June	Prepare and approve Communications Plan	Comms
By 29th June	Prepare and approve letters to be sent to stakeholders / Prepare stakeholders list / contacts	Partnership
By 29th June	Approve on-line response form	All
<b>Jul-18</b>		
w/c 2nd July	upload on-line response form	Comms
w/c 2nd July	Notify customer services and contact centre of the engagement and process	Comms
By 6th July	Prepare and approve media release/elected member statement	Comms
By 18th July	Advise elected member to notified them of engagement	S151
<b>19th July</b>	<b>Engagement starts</b>	
19th July	Send out letters to all affected residents	Partnership
19th July	Make on-line form live	Comms
19th July	Issue press release / social media	Comms
w/c 23rd July	Social media activity linking to on-line form	Comms
w/c 30th July	Social media activity linking to on-line form	Comms
<b>Aug-18</b>		
w/c 2nd August	Social media activity linking to on-line form	Comms
w/c 9th August	Social media activity linking to on-line form	Comms
w/c 16th August	Social media activity linking to on-line form	Comms
w/c 23rd August	Social media activity linking to on-line form – last week to feedback comments	Comms
<b>31<sup>st</sup> August</b>	<b>Engagement closes</b>	
<b>Sep-18</b>		
3rd – 7th September	Analyse responses and prepare findings report	Comms
September	Decision to implement changes to council tax	S151
<b>Oct-18</b>		
Tbc - During December	Write to affected residents to inform of decision which will take affect from 1 <sup>st</sup> April 2019	Partnership
Tbc - During December	Prepare and issue press release re decision	Comms
<b>Apr-19</b>		
1 <sup>st</sup> April	Council Tax changes implemented	



# Leicestershire Partnership Revenues & Benefits

## Financial Performance Outturn 2017/18

**Joint Committee**

## 1. PURPOSE OF THE REPORT

- 1.1 To inform the Joint Committee of the provisional outturn (financial performance) for 2017/18 financial year. The financial outturn is considered provisional until the completion of the external audit work on the financial statements..

## 2. RECOMMENDATION

- a) That the financial performance of the Partnership be noted.
- b) Members give consideration of the proposed use of year-end reserves of £200,896 after FERIS and committed carry forwards. The options are:
- 1) Set up earmarked reserves of £106,400, retain a general Fund balance of £50,000 and distribute the remaining £44,496 as contribution reductions during 2018/19,
  - 2) As for 1, but retaining the balance of £94,496 in the general fund for consideration of use over the 2018/19 financial year on any pressures as they occur, with any remaining balance above the General Reserve balance considered for redistribution or use in 2019/20.
  - 3) Maintain the current agreed general fund reserve of £50,000 (1.4% of budget), and distribute the remaining £150,896 as contribution reductions during 2018/19,
- 2.1 Note, there are £84,320 of required upgrades to IT software and kit required during 2018/19 that would have to be funded from increased contributions if not funded from reserves. Options 1 and 2 avoid this increase.

## 3. INFORMATION

### Budget Position

- 3.1 The financial position of the Partnership has been outlined in **Appendix 1** to this report. The key headlines have been detailed below for information.
- 3.2 The Joint Committee approved a budget for the Partnership for 2017/2018 that indicated that £3,459,650 of contributions would be required, not including any carry forwards or reserve use. This was lowered by an additional agreed use of reserves equalling £105,250, which reduced the level of contributions needed in year from partners.
- 3.3 As at 31 March 2018, the Partnership had underspent against the profiled budget by £265,757. There were no timing differences associated with expenditure to the end of March 2018, leaving a net underspend of £197,446.

<b>Table 1</b>	<b>Budget to 31 March 2018</b>	<b>Actual to 31 March 2018</b>	<b>Variance to Date</b>	<b>Timing Differences</b>	<b>Variance after Timing Differences</b>
INCOME *	(£3,543,461)	(£3,613,449)	(£69,988)	(£0)	(£69,988)
EXPENDITURE	£3,475,150	£3,347,692	(£127,458)	£0	(£127,458)
Net Expenditure Over / (Under) Spend	(£68,311)	(£265,757)	(£197,446)	(£0)	(£197,446)

*\*Including carryforwards and contributions from reserves*

3.4 The Partnership has year-end saving of £197,446 in total. The key variances are:

- £67,000 of salary savings due to vacant posts
- £60,000 in relation to FERIS savings, mainly due posts being filled on a part-time basis, rather than fulltime due to the nature of the work.
- £19,000 of savings on postage, £11,000 on flexible working, with costs of £14,000 in relation to court costs covered by additional income recognized.

#### 4. Review of Reserves

4.1 The year-end position on reserves carried forward with proposals for use of reserves is noted below, further detail is in appendix 2. If agreed, this requires the setting up of new earmarked reserves.

<b>Table 2</b>			
<b>Reserves</b>	<b>General</b>	<b>Earmarked</b>	<b>Total</b>
Total Carry forwards and reserves 1/4/2018	277,206	0	277,206
<b>Use of Reserves expected 2018/19</b>			
FERIS (Ring-fenced c/f)	-60,250		-60,250
Carry forwards for use in 2018/19	-16,060		-16,060
<b>Usable Reserves</b>	<b>200,896</b>	<b>0</b>	<b>200,896</b>
<b>Proposed use</b>			
Set up earmarked reserve (Table 3)	-106,400	106,400	
<b>Unallocated Reserves</b>	<b>94,496</b>	<b>0</b>	<b>94,496</b>

4.2 The Joint Committee will need to consider options for the reserves held after carryforwards of £200,896. There was agreement by the Joint Committee that a “General Reserve” of £50,000 be held for contingency purposes, which leaves unallocated reserves of £150,896. The earmarked reserves recommended will be used as noted in Table 3 below.

<b>Table 3:Earmarked Reserves</b>	<b>£</b>
Small IT kit replacements and software changes	22,080
Upgraded Digital e-claim and e-change in circumstances*	48,478
Discount and Exemptions online*	25,842
GDPR integration	10,000
<b>Total</b>	<b>106,400</b>

\*Appendix 3 gives some further details

4.3 The remainder can be used for reductions to future contributions (option 1).

<b>Table 4</b>	<b>Total</b>	<b>HBBC</b>	<b>HDC</b>	<b>NWLDC</b>
<i>Allocation method %</i>		37.69%	28.72%	33.59%
	£	£	£	£
<b>Total Partnership Contributions excluding Searches and Liability Orders</b>	44,496	16,771	12,779	14,946

4.4 If option 3 was selected the distribution impact would be:

<b>Table 5</b>	<b>Total</b>	<b>HBBC</b>	<b>HDC</b>	<b>NWLDC</b>
<i>Allocation method %</i>		37.69%	28.72%	33.59%
	£	£	£	£
<b>Total Partnership Contributions excluding Searches and Liability Orders</b>	150,896	56,873	43,337	50,686
<b>Increase contributions for essential IT</b>	-84,320	-31,780	-24,217	-28,323
<b>Net</b>	66,576	25,092	19,121	22,363

**Appendix 1: Leicestershire Revenues & Benefits Partnership Monitoring Report to 31st March 2018**

Expenditure / Income Type	2017/18 Latest Budget to Date	Actual to Date	Timing Differences	Variance after Timing Differences	2017/18 Total Estimate (Original)	2017/18 Total Estimate (Revised)
	£	£	£	£	£	£
Employees	2,558,100	2,482,304	0	75,796	2,551,100	2,558,100
Premises Related Expenditure	81,050	82,729	0	-1,679	81,050	81,050
Transport Related Expenditure	28,000	21,146	0	6,854	28,000	28,000
Supplies & Services	776,800	730,710	0	46,090	768,300	776,800
Central & Administrative Exp	31,200	30,804	0	396	31,200	31,200
Revenue Income	-3,354,400	-3,364,138	0	9,738	-3,459,650	-3,354,400
Approved Cfwd's	-72,118	-72,118	0	0	0	-72,118
Transfer from Reserves	-105,250	-105,250	0	0	0	-105,250
Transfer from Reserves - Server	-68,311	-68,311		0		
Other Expenditure - FERIS	56,618	51,755		4,863	0	56,618
Other Income - FERIS	0	-55,387		55,387	0	0
Server	68,311	68,311		0	0	0
<b>Sum:</b>	<b>0</b>	<b>-197,446</b>	<b>0</b>	<b>197,446</b>	<b>0</b>	<b>0</b>

Carry Forwards 76,310

Total Underspend/ Contribution to reserves 121,136

**Timing Differences**

Salaries - Quarter 4 - 2018  
 Mileage & Disturbance Costs - Quarter 4 - 2018  
 Supplies & Services - Quarter 4 - 2018  
 Contributions - Quarter 4 - March 2018

	HDC	NWLDC	HBBC	Total
				0
				0
	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**Explanations**

	Variance at 31/03/18 (Over) / Under Spend £	Forecast variance (Over) / Under Spend £	Explanation £5k+
Salaries	67,000		Underspend is due to a number of vacant posts, some of which have been vacant since the start of the year but interviews are currently taking place.
Training	7,000		Training delayed.
Other Employee Variances	2,000		Variance > £5k
Premises Related Expenditure	-2,000		Variance > £5k
Car Allowances	7,000		Reduction in amount of travel being done
Flexible working costs	11,000		Variance > £5k
Postages	19,000		
Computer Software Maintenance & Upgrade	8,000		£5k to be cfwd to cover the cost of a Capita Health Check
Consultancy Fees	9,000		
Printing & Stationery	4,000		Variance > £5k
Liability Expenses	-14,000		Additional Court costs incurred off set against additional income each of the partners will receive within the General Fund
Legal Fees	5,000		Variance > £5k
Remote Access	3,000		Budget to cover the cost of Key Fobs which are renewed every 3 years, budget has been calculated to run across the 3 year period and therefore any underspend will need to be carried forward to 2018/19
Minor Variances	1,000		Variance > £5k
Additional Income	7,000		Income received from Town Centre Partnership to cover costs
Contributions	3,000		Additional Contributions from partners to cover Liability costs above
Net Other Expenditure & Income - FERIS	60,000		Underspend to be Carried Forward to 2018/19
	<b>197,000</b>	<b>0</b>	

## Appendix 2

			Budgeted use of reserves	Actual use of reserves
	General	Earmarked	Total	
<b>Reserves</b>				
Balance bfwd from 2016/17	225,439	100,000.00	325,439	325,439
Transfers from Reserves reduce contributions	-105,250		-105,250	-105,250
Use of Earmarked Reserves (Server purchase)		-84,000	-84,000	-68,311
Transfers between reserves	16,000	-16,000	0	0.00
Carry forwards used in 2017/18	-86,170		-86,170	-72,118
	50,019	0	50,019	79,760
Year-end Savings 2017/18	197,446		197,446	197,446
Total Carry forwards and reserves 1/4/2018	247,465	0	247,465	277,206
<b>Use of Reserves expected 2018/19</b>				
FERIS (Ring-fenced c/f)	-60,250		-60,250	-60,250
Carry forwards for use in 2018/19	-16,060		-16,060	-16,060
	171,155	0	171,155	200,896
Transfers between reserves			0	
<b>Reserves retention y/e forecast</b>	<b>171,155</b>	<b>0</b>	<b>171,155</b>	<b>200,896</b>



Appendix 3

Earmarked spend

<u>Reason</u>	<u>Expenditure</u>	<u>Date of Spend</u>
Upgraded Digital e-claim and e-change in circumstances	Licence      £23,815	Q3
	Services      £16,000	
	Annual      £8,663	
Discount and Exemptions online	Licence      £13,532	Q4 with implementation Q1 19/20
	Services      £8,250	
	Annual      £4,060	

This page is intentionally left blank



51

# Revenue and Benefit Service

## Performance Summary Report

### 2017/18 Out-turn

## Caseload Analysis

Caseload Data																	
Position at:	01/04/2011	01/04/2012	In Year Movement	01/04/2013	In Year Movement	01/04/2014	In Year Movement	01/04/2015	In Year Movement	01/04/2016	In Year Movement	01/04/2017	In Year Movement	2017/18		Overall Movement	
														Latest Data	In Year Movement		%
<b>Council Tax Dwellings</b>																	
HBBC	46,172	46,505	333	46,788	283	47,405	617	48,135	730	48,810	675	49,488	678	49,906	418	3,734	7.5%
HDC	35,923	35,965	42	36,494	529	37,048	554	37,312	264	37,899	587	38,505	606	39,089	584	3,166	8.1%
NWLDC	40,026	40,271	245	40,833	562	41,292	459	41,761	469	42,405	644	43,204	799	44,207	1,003	4,181	9.5%
<b>Totals</b>	<b>122,121</b>	<b>122,741</b>		<b>124,115</b>		<b>125,745</b>		<b>127,208</b>		<b>129,114</b>		<b>131,197</b>	<b>Current Total:</b>	<b>133,202</b>	<b>Movement</b>	<b>11,081</b>	
<b>NDR Rated Assessments</b>																	
HBBC	2,876	2,867	-9	2,932	65	2,968	36	2,985	17	3,067	99	3,082	15	3,162	80	286	9.0%
HDC	2,616	2,730	114	2,762	32	2,835	73	2,894	59	2,909	74	2,949	40	3,040	91	424	13.9%
NWLDC	3,182	3,170	-12	3,175	5	3,210	35	3,223	13	3,249	39	3,287	38	3,417	130	235	6.9%
<b>Totals</b>	<b>8,674</b>	<b>8,767</b>		<b>8,869</b>		<b>9,013</b>		<b>9,102</b>		<b>9,225</b>		<b>9,318</b>	<b>Current Total:</b>	<b>9,619</b>	<b>Movement</b>	<b>945</b>	
<b>HB/CTLS Live Caseload</b>																	
HBBC	7,100	7,579	479	7,555	-24	7,161	-394	6,832	-329	6,459	-702	6,280	-282	5,806	-474	-1,294	-22.3%
										Current Caseload Analysis		Joint HB/CTS					
												HB only		3,042			
												CTS only		486			
														2,255			
HDC	4,189	4,246	57	4,345	99	4,274	-71	4,086	-188	3,689	-585	3,599	-169	3,388	-211	-801	-23.6%
										Current Caseload Analysis		Joint HB/CTS					
												HB only		1,885			
												CTS only		322			
														1,181			
NWLDC	7,187	7,287	100	7,213	-74	6,770	-443	6,550	-220	6,145	-625	5,955	-329	5,696	-259	-1,491	-26.2%
										Current Caseload Analysis		Joint HB/CTS					
												HB only		3,697			
												CTS only		442			
														1,557			
<b>Totals</b>	<b>18,476</b>	<b>19,112</b>		<b>19,113</b>		<b>18,205</b>		<b>17,468</b>		<b>16,293</b>		<b>15,834</b>	<b>Current Total:</b>	<b>14,890</b>	<b>Movement</b>	<b>-3,586</b>	

**Dashboard Performance Summaries for each Council follows below:**

Hinckley & Bosworth Borough Council													2017/18	Year-End 2017/18 Target	2016/17 Same month cumulative comparison
<b>BENEFITS</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Cumulative</b>		
In month: Right Time (days)	10.5	9.4	12.6	12.0	12.0	12.2	11.1	9.6	9.8	9.1	2.7	8.2	9.9	11	
<i>Position for 2016/17</i>	8.5	9.5	12.2	12.4	10.5	9.7	10.5	9.8	11.1	10.8	2.8	9.9			9.8
In month: New Claims (Days)	20.2	21.4	23.3	21.7	19.5	18.4	15.5	16.4	11.2	14.3	13.8	15.4	17.6	19	
<i>Position for 2016/17</i>	15.9	24.2	22.1	23.0	19.2	16.9	16.1	16.6	16.3	14.5	16.3	17.8			18.3
In month: Change Events (Days)	9.6	8.5	11.2	11.0	10.9	11.3	10.5	8.7	9.6	8.5	2.3	7.0	8.0	9	
<i>Position for 2016/17</i>	7.1	7.4	10.7	10.5	8.6	8.2	9.4	8.6	10.3	10.1	2.3	8.7			7.3
Right Time profiled in month target 17/18	14.1	14.8	14.7	11.0	10.9	10.2	10.8	9.3	10.4	9.8	3.4	10.9			
New Claims profiled in month target 17/18	19.0	24.0	22.0	22.9	18.4	16.8	16.7	14.4	15.0	16.2	17.5	18.9			
Change Events profiled in month target 17/18	13.5	13.7	13.2	9.8	9.8	9.1	10.0	8.2	9.0	8.6	2.5	9.4			
<b>COUNCIL TAX</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>			
In Year (%)	10.9%	20.3%	29.5%	38.7%	47.9%	57.2%	66.6%	75.8%	84.9%	94.0%	96.4%	98.1%	98.1%	98.0%	
This years profiled target	11.0%	20.0%	29.3%	38.4%	47.9%	57.1%	66.3%	75.9%	85.1%	94.2%	96.4%	98.0%			
<i>Position for 2016/17</i>	11.0%	20.3%	29.4%	38.6%	48.0%	57.5%	66.5%	75.9%	85.1%	94.3%	96.5%	98.1%			
In Year Arrears Reduction (£)	£2.7m	£2.6m	£2.5m	£2.4m	£2.4m	£2.3m	£2.1m	£2.1m	£2.0m	£2.0m	£1.9m	£1.8m	£1.8m	INFO	
<i>Position for 2016/17</i>	£2.7m	£2.5m	£2.5m	£2.3m	£2.2m	£2.1m	£2.2m	£2.1m	£2.0m	£1.9m	£1.8m	£1.8m			
<b>NON DOMESTIC RATES</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>			
In Year (%)	11.0%	20.6%	29.9%	39.3%	48.3%	57.3%	66.5%	75.9%	85.3%	94.2%	96.6%	98.9%	98.9%	98.3%	
This years profiled target	11.2%	20.0%	28.1%	37.1%	46.0%	55.0%	63.8%	73.0%	82.7%	92.0%	96.5%	98.3%			
<i>Position for 2016/17</i>	10.1%	19.0%	28.1%	37.1%	46.0%	55.7%	64.9%	74.1%	83.5%	92.9%	96.9%	98.9%			
Arrears Reduction (£m)	£0.56m	£0.37m	£0.34m	£0.43m	£0.31m	£0.30m	£0.26m	£0.25m	£0.23m	£0.30m	£0.30m	£0.23m	£0.23m	INFO	
<i>Position for 2016/17</i>	£1.4m	£0.7m	£0.6m	£0.5m	£0.5m	£0.5m	£0.5m	£0.4m	£0.4m	£0.3m	£0.2m	£0.2m			
<b>HB DEBT RECOVERY</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>			
HB Overpayments outstanding at year end (Academy)	£1.5m	£1.5m	£1.6m	£1.6m	£1.6m	£1.6m	£1.5m	£1.6m	£1.6m	£1.6m	£1.5m	£1.5m	£1.5m	INFO	
<i>Position for 2016/17</i>	£1.4m	£1.4m	£1.4m	£1.4m	£1.4m	£1.4m	£1.5m	£1.5m	£1.5m	£1.5m	£1.5m	£1.5m			
HB Overpayments Recovered	4%	7%	10%	14%	18%	21%	23%	26%	28%	30%	32%	34%	34%	36%	
This years profiled target	5%	8%	11%	13%	16%	19%	21%	22%	26%	27%	30%	36%			
<i>Position for 2016/17</i>	4%	7%	10%	12%	15%	18%	20%	21%	25%	26%	29%	31%			
<b>FRAUD</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>			
CTLS Sanctions gained	0	1	2	0	1	0	0	0	0	1	4	1	10	6	
This years profiled target	0	0	0	1	1	1	1	1	0	1	0	0			
<i>Position for 2016/17</i>	2	1	0	1	1	3	1	2	0	0	0	2			

Harborough District Council													2017/18	Year -End 2017/18 target	2016/17 Same month cumulative comparison
BENEFITS	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Cumulative		
In month: Right Time (days)	10.8	9.0	10.8	14.0	11.8	12.4	10.5	8.7	10.2	9.7	2.4	8.0	9.9	11	
<i>Position for 2016/17</i>	9.1	9.3	12.2	10.4	10.9	11.8	11.3	9.8	12.7	9.5	3.0	8.8			9.9
In month: New Claims (Days)	20.6	18.9	20.3	19.1	16.2	15.5	17.9	15.6	15.9	14.2	10.9	15.0	16.8	19	
<i>Position for 2016/17</i>	15.5	20.1	22.0	18.1	18.9	20.2	15.3	14.5	22.2	14.7	17.9	18.7			18.1
In month: Change Events (Days)	9.3	7.9	9.4	13.3	11.1	11.9	9.7	7.4	9.0	9.0	2.2	6.8	7.9	9	
<i>Position for 2016/17</i>	7.8	7.9	10.5	9.3	9.2	10.3	10.7	9.0	11.1	8.6	2.5	7.8			7.6
Right Time profiled in month target 17/18	9.8	11.1	11.9	10.1	10.2	10.8	12.0	10.8	9.6	9.5	3.0	8.0			
New Claims profiled in month target 17/18	20.6	22.6	20.9	18.0	16.7	18.9	19.3	19.3	19.1	19.2	19.1	19.0			
Change Events profiled in month target 17/18	8.3	9.5	10.2	8.8	8.9	9.4	10.8	8.9	8.5	8.2	3.0	9.0			
COUNCIL TAX	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar			
In Year (%)	11.2%	20.5%	29.9%	39.0%	48.2%	57.6%	67.1%	76.3%	85.3%	94.5%	96.7%	98.6%	98.6%	98.6%	
This years profiled target	11.3%	20.8%	29.9%	39.0%	48.3%	57.7%	67.2%	76.6%	85.7%	94.7%	96.8%	98.6%			
<i>Position for 2016/17</i>	11.3%	20.4%	29.9%	39.1%	48.4%	57.9%	67.2%	76.6%	85.7%	94.7%	96.8%	98.5%			
Arrears Reduction (£m)	£2.1m	£2.0m	£1.9m	£1.9m	£1.8m	£1.7m	£1.7m	£1.6m	£1.6m	£1.5m	£1.5m	£1.4m	£1.4m	INFO	
<i>Position for: 2016/17</i>	£2.2m	£2.2m	£2.1m	£2.0m	£1.9m	£1.9m	£1.9m	£1.8m	£1.7m	£1.6m	£1.5m	£1.5m			
NON DOMESTIC RATES	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar			
In Year (%)	9.7%	20.5%	28.7%	37.8%	46.8%	55.3%	65.7%	75.0%	84.2%	92.5%	96.6%	99.7%	99.7%	99.2%	
This years profiled target	10.6%	19.6%	28.7%	37.6%	46.5%	55.1%	64.0%	74.1%	82.6%	92.8%	96.9%	99.2%			
<i>Position for 2016/17</i>	10.4%	19.9%	28.7%	37.6%	46.7%	55.1%	64.0%	74.0%	82.6%	92.8%	96.9%	99.6%			
Arrears Reduction (£m)	£0.27m	£0.33m	£0.23m	£0.21m	£0.22m	£0.17m	£0.14m	£0.14m	£0.14m	£0.11m	£0.09m	£0.04m	£0.04m	INFO	
<i>Position for 2016/17</i>	£0.4m	£0.3m	£0.3m	£0.3m	£0.2m	£0.2m	£0.3m	£0.2m	£0.2m	£0.1m	£0.1m	£0.1m			
HB DEBT RECOVERY	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar			
HB Overpayments outstanding at year end (Academy)	£1.0m	£1.0m	£1.0m	£1.0m	£1.0m	£1.0m	£1.0m	£1.0m	£1.0m	£1.0m	£1.0m	£0.99m	£0.99m	INFO	
<i>Position for 2016/17 (£m)</i>	£0.7m	£0.7m	£0.7m	£0.7m	£0.7m	£0.8m	£0.8m	£0.8m	£0.8m	£0.8m	£0.8m	£0.9m			
HB Overpayments Recovered	3%	6%	9%	12%	16%	18%	21%	24%	26%	29%	30%	34%	34%	31%	
This years profiled target	3%	5%	8%	10%	13%	16%	18%	21%	24%	24%	27%	31%			
<i>Position for 2016/17</i>	3%	5%	8%	10%	13%	15%	16%	19%	22%	24%	26%	29%			
FRAUD	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar			
CTLS Sanctions gained	0	0	0	0	1	1	0	0	1	0	0	1	4	6	
This years profiled target	0	0	0	1	1	1	1	1	0	1	0	0			
<i>Position for 2016/17</i>	1	0	0	4	0	4	1	1	1	1	2	2			

North West Leicestershire District Council													2017/18	Year End 2017/18 target	2016/17 Same month cumulative comparison
BENEFITS	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Cumulative		
In month: Right Time (days)	11.0	9.8	11.0	11.2	10.8	10.9	12.5	9.6	11.0	10.9	3.3	8.4	10.0	11	
<i>Position for 2016/17</i>	10.4	9.3	12.3	11.7	10.8	11.1	10.8	10.4	11.7	11.6	3.4	8.9			10.2
In month: New Claims (Days)	18.9	21.4	16.9	16.4	17.3	15.9	17.3	14.1	19.8	14.8	14.1	17.8	17.1	19	
<i>Position for 2016/17</i>	16.1	19.8	19.1	21.7	22.9	19.2	16.3	14.1	16.4	18.1	15.3	18.5			18.1
In month: Change Events (Days)	9.5	8.3	10.3	10.3	9.8	10.2	11.7	9.0	9.3	10.2	2.7	7.2	8.2	9	
<i>Position for 2016/17</i>	9.5	8.1	11.2	9.7	9.1	9.5	9.8	9.8	10.7	10.2	2.8	7.7			7.8
Right Time profiled in month target 17/18	14.9	15.5	15.1	11.5	10.6	9.9	11.1	8.6	10.1	10.2	3.0	8.3			
New Claims profiled in month target 17/18	21.0	23.0	25.1	20.4	20.3	14.6	16.2	13.7	15.9	16.5	15.4	18.5			
Change Events profiled in month target 17/18	13.6	14.3	13.3	10.3	9.1	9.2	10.0	7.7	8.6	8.9	2.4	6.6			
COUNCIL TAX	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar			
In Year (%)	10.2%	19.5%	28.6%	37.7%	46.9%	55.9%	65.4%	74.6%	83.7%	93.0%	95.7%	97.8%	97.8%	97.6%	
This years profiled target	10.4%	19.5%	28.8%	37.9%	47.2%	56.5%	65.5%	74.8%	84.1%	93.1%	95.7%	97.6%			
<i>Position for 2016/17</i>	10.2%	19.6%	28.9%	38.0%	47.3%	56.5%	65.5%	74.8%	84.1%	93.1%	95.7%	97.8%			
Arrears Reduction (£m)	£3.2m	£3.0m	£2.9m	£2.8m	£2.8m	£2.7m	£2.6m	£2.5m	£2.4m	£2.4m	£2.3m	£2.2m	£2.2m	INFO	
<i>Position for 2016/17</i>	£3.2m	£3.1m	£2.9m	£2.8m	£2.7m	£2.6m	£2.6m	£2.5m	£2.4m	£2.4m	£2.2m	£2.1m			
NON DOMESTIC RATES	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar			
In Year (%)	10.0%	20.3%	29.0%	38.7%	48.5%	57.2%	66.2%	75.5%	84.4%	92.7%	96.1%	99.4%	99.4%	99.0%	
This years profiled target	11.0%	19.0%	30.9%	39.2%	47.3%	56.4%	65.6%	74.2%	82.4%	90.7%	96.0%	99.0%			
<i>Position for 2016/17</i>	9.8%	20.1%	30.9%	39.2%	48.4%	57.1%	67.1%	76.0%	84.8%	91.6%	95.2%	99.3%			
Arrears Reduction (£m)	£0.68m	£0.52m	£0.53m	£0.40m	£0.40m	£0.44m	£0.57m	£0.55m	£0.36m	£0.46m	£0.42m	£0.21m	£0.21m	INFO	
<i>Position for 2016/17</i>	£0.9m	£0.8m	£0.7m	£0.6m	£0.5m	£0.5m	£0.4m	£0.4m	£0.4m	£0.3m	£0.2m	£0.2m			
HB DEBT RECOVERY	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar			
HB Overpayments outstanding at year end (Academy)	£1.5m	£1.5m	£1.5m	£1.5m	£1.5m	£1.4m	£1.5m	£1.5m	£1.5m	£1.4m	£1.4m	£1.4m	£1.4m	INFO	
<i>Position for 2016/17</i>	£1.3m	£1.3m	£1.3m	£1.3m	£1.3m	£1.4m	£1.3m	£1.4m	£1.4m	£1.4m	£1.4m	£1.5m			
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar			
HB Overpayments Recovered	4%	9%	13%	17%	20%	25%	28%	30%	33%	35%	38%	40%	40%	34%	
This years profiled target	4%	8%	11%	16%	19%	20%	23%	24%	26%	29%	31%	34%			
<i>Position for 2016/17</i>	5%	8%	12%	15%	18%	20%	23%	25%	27%	29%	31%	33%			
FRAUD	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar			
CTLS Sanctions gained	0	0	0	0	1	1	0	0	0	3	2	2	9	6	
This years profiled target	0	0	0	1	1	1	1	1	0	1	0	0			
<i>Position for 2016/17</i>	2	3	3	1	1	0	1	0	0	0	0	4			

## DWP Housing Benefit Subsidy impact – ‘Local Authority Error/ Time Delay’

Hinckley & Bosworth Borough Council	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March
Lower Threshold	£6,554	£13,027	£19,420	£25,040	£33,030	£39,263	£44,938	£50,176	£55,997	£61,819	£67,156	£72,356
Upper Threshold	£7,486	£14,655	£21,848	£28,170	£37,159	£44,171	£50,555	£56,448	£62,996	£69,547	£75,551	£81,401
<b>Actual</b>	<b>£6,882</b>	<b>£8,139</b>	<b>£9,461</b>	<b>£19,017</b>	<b>£27,412</b>	<b>£33,515</b>	<b>£42,979</b>	<b>£45,201</b>	<b>£47,032</b>	<b>£49,510</b>	<b>£49,749</b>	<b>£54,135</b>
Lower Tolerance	<b>-£328</b>	£4,887	£9,959	£6,023	£5,619	£5,748	£1,958	£4,975	£8,965	£12,309	£17,408	£18,221
Upper Tolerance	£604	£6,516	£12,387	£9,153	£9,747	£10,656	£7,575	£11,247	£15,964	£20,037	£25,802	£27,266
<b>Harborough District Council</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>March</b>
Lower Threshold	£3,888	£7,708	£12,220	£15,783	£21,501	£25,231	£29,026	£32,556	£36,087	£39,541	£43,319	£46,802
Upper Threshold	£4,374	£8,671	£13,748	£17,756	£24,188	£28,385	£32,654	£36,625	£40,597	£44,484	£48,733	£52,652
<b>Actual</b>	<b>£916</b>	<b>£2,580</b>	<b>£3,879</b>	<b>£6,411</b>	<b>£7,164</b>	<b>£11,810</b>	<b>£16,174</b>	<b>£15,521</b>	<b>£17,611</b>	<b>£18,254</b>	<b>£18,835</b>	<b>£19,401</b>
Lower Tolerance	£2,971	£5,128	£8,341	£9,372	£14,337	£13,421	£12,852	£17,034	£18,476	£21,288	£24,484	£27,401
Upper Tolerance	£3,457	£6,091	£9,869	£11,344	£17,025	£16,575	£16,480	£21,104	£22,986	£26,230	£29,899	£33,251
<b>North West Leicestershire District Council</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>March</b>
Lower Threshold	£6,906	£13,236	£20,315	£26,630	£36,152	£43,144	£49,204	£55,309	£60,885	£67,096	£73,442	£79,694
Upper threshold	£7,770	£14,891	£22,854	£29,959	£40,671	£48,537	£55,354	£62,222	£68,496	£75,483	£82,623	£89,655
<b>Actual</b>	<b>£2,905</b>	<b>£5,593</b>	<b>£9,664</b>	<b>£11,880</b>	<b>£14,594</b>	<b>£33,463</b>	<b>£43,393</b>	<b>£38,456</b>	<b>£41,108</b>	<b>£43,622</b>	<b>£45,178</b>	<b>£46,504</b>
Lower Tolerance	£4,002	£7,643	£10,651	£14,749	£21,558	£9,681	£5,811	£16,853	£19,777	£23,474	£28,265	£33,190
Upper Tolerance	£4,865	£9,298	£13,190	£18,078	£26,077	£15,074	£11,961	£23,767	£27,388	£31,861	£37,445	£43,151



## Sickness

Sickness for February is given below:

(Data cannot be provided in time to meet report deadline and therefore reported 1 month in arrears)

Hinckley & Bosworth Borough Council		Annual Target 8 days	
		Month	
		February	Cumulative
<b>Long Term</b>		0 Days	72.00 Days
<b>Short Term</b>		38.0 Days	216.5 Days
	<b>Days lost</b>	38.0 Days	288.5 Days
<b>FTE Average</b>		<b>1.21 Days</b>	<b>10.4 Days</b>
<b>Profiled Target Average</b>		0.67 Days	8.0 Days
Harborough District Council		Annual Target 9 days	
		Month	
		February	Cumulative
<b>Long Term</b>		Data currently not available	
<b>Short Term</b>			
	<b>Days lost</b>		
<b>FTE Average</b>			
<b>Profiled Target Average</b>		0.75 Days	
North West Leicestershire District Council		Annual Target 8.5 days	
		Month	
		February	Cumulative
<b>Long Term</b>		17.85 Days	184.73 Days
<b>Short Term</b>		13.0 Days	171.42Days
	<b>Days lost</b>	40.85 Days	356.15 Days
<b>FTE Average</b>		<b>1.44 Days</b>	<b>18.22 Days</b>
<b>Profiled Target Average</b>		0.71 Days	8.5 Days

## Benefits Operational Team

(Housing Benefit, Council Tax Support and Fraud)

As forecast all of the key performance indicators around processing of new claims and change events have been met. This is particularly pleasing as there has been significant work to ensure these targets have been achieved, and micro management on a daily basis around allocation of work to make sure our residents receive their entitlement in a timely manner in accordance with the agreed processing targets.

### **Processing**

All three authorities met their respective target for processing new claims and change events.

### **LA error and subsidy**

All three authorities are below the lower threshold for LA error and HDC have reported an improvement in both the upper and lower thresholds when compared to last year. It is important to acknowledge the forecast of the Benefits Operational Manager with regard to year end outturn was correct and the partnership management team are pleased to report the concerns articulated earlier on in the year with regard to this matter haven't come to fruition.

### **Verification of Earnings & Pension (VEP)**

Funding levels for the VEP initiative have been announced and are as follows:

HBBC: £20,543

NWLDC: £13,212

HDC: £13,464

It is intended that all LA's will participate in the initiative and 80% of the funding will be paid In April and the second payment in quarter four

## Fraud & the DWP

The DWP are looking at new business funding to support our requirement to share benefits information and provide witness statements.

### Revenues Operational Team

(Council Tax, Non Domestic Rates and Housing Benefit Overpayments)

#### Council Tax

This is the first year whereby collection rate targets have been met for each Council.

- HBBC target: 98.0% Outcome: 98.1% (2016/17 achieved 98.1%)

In year net collectable debit	£60,579,885.39
Collected	£59,428,747.09
Gross arrears	£1,055,779.18

- HDC target: 98.6% Outcome: 98.6% (2016/17 achieved 98.5%)

In year net collectable debit	£56,195,327.61
Collected	£55,410,017.97
Gross arrears	£785,309.64

- NWLDC target: 97.6% Outcome: 97.8% (2016/17 achieved 97.8%)

In year net collectable debit	£53,930,207.79
Collected	£52,733,423.57
Gross arrears	£1,196,784.22

## NDR

The collection targets have been met and exceeded.

- HBBC target            98.3%            Outcome:    98.9%            (2016/17 achieved: 98.9%)  

In year net collectable debit	£32,895,823.36
Collected	£32,516,225.81
Gross arrears	£379,597.55
  
- HDC target            99.2%            Outcome:    99.7%            (2016/17 achieved: 99.6%)  

In year net collectable debit	£41,616,913.27
Collected	£41,480,133.37
Gross arrears	£136,779.90
  
- NWLDC target        99.0%            Outcome:    99.4%            (2016/17 achieved: 99.3%)  

In year net collectable debit	£57,794,189.24
Collected	£57,458,651.09
Gross arrears	£335,538.16

09

## Annual Billing

2018/19 Annual Billing was successful and bills and notices were issued as per the agreed timetable which was shared with all customer service teams.

## End of Year Reconciliations

System and financial balancing reconciled and balanced to support finance teams in account closures has been completed.

To summarise, all of the key processing targets for Business Rates, Council Tax, and Benefits have been achieved. The year has presented many operational challenges, these have been dealt with and we have still seen excellent performance results. This is a whole team effort not just the processing staff, the Head of Partnership has thanked individual teams and proposed to send an all staff email to include any comments from partners.

## Channel Shift Analysis

HDC				
Service Subscriptions	January	February	March	
Application	Total No of Subscriptions			Increase since previous month
Council Tax Online	1165	1243	1344	101
Housing Benefit Online	109	111	123	12
Landlord Online	38	40	40	0
Business Rates Online	39	39	39	0
<b>Ebiling &amp; Enotifications</b>				
Application	Total No of Subscriptions			
Council Tax Online	301	328	367	39
Business Rates Online	18	18	18	0
Landlord Online	20	22	23	1
Housing Benefit Online	32	33	40	7

HBBC				
<b>Service Subscriptions</b>				
	<b>January</b>	<b>February</b>	<b>March</b>	
<b>Application</b>	<b>Total No of Subscriptions</b>			<b>Increase since previous month</b>
Council Tax Online	2405	2478	2577	99
Housing Benefit Online	135	141	149	8
Landlord Online	70	70	72	2
Business Rates Online	44	45	47	2
<b>Ebiling &amp; Enotifications</b>				
<b>Application</b>	<b>Total No of Subscriptions</b>			
Council Tax Online	326	352	379	27
Business Rates Online	12	12	12	0
Landlord Online	10	10	11	1
Housing Benefit Online	33	33	36	3

NWL				
	January	February	March	
Application	<b>Total No of Subscriptions</b>			<b>Increase since previous month</b>
Council Tax Online	858	917	1073	156
Housing Benefit Online	125	129	144	15
Landlord Online	34	39	39	0
Business Rates Online	18	18	37	19
Application	<b>Total No of Subscriptions</b>			
Council Tax Online	317	366	485	119
Business Rates Online	7	7	26	19
Landlord Online	13	18	18	0
Housing Benefit Online	41	45	59	14

This page is intentionally left blank





# Revenue and Benefit Service

## Schedule of Meetings 2018/19

## **1. PURPOSE OF THE REPORT**

1.1 For the Joint Committee to agree the schedule of meetings for the forthcoming year.

## **2. RECOMMENDATION**

2.1 To consider the proposed schedules of meetings for 2018/19 attached at appendix 1 and 2 of the report and agree which schedule to follow.

## **3. MAIN FEATURES OF THE SCHEDULES**

3.1 Each year the Committee is asked to approve the schedule of meetings for the forthcoming year.

3.2 The proposed schedule of quarterly meetings for 2018/19 is attached at appendix 1 to the report.

3.3 The Joint Committee currently meets 4 times during the civic year and the dates of the meetings at appendix 1 have been proposed in order for the committee to consider the quarterly performance reports at the appropriate time during the year.

3.4 At the last meeting of the Joint Committee Members discussed the possibility of reducing the number of meetings for the forthcoming year due to the amount of business to be considered.

3.5 Consideration has been given to statutory reports that have to be agreed by set dates.

3.6 A second Schedule of Meetings for 2018/19 is attached at appendix 2 to the report. This sets out a reduced number of meetings for the year.

3.7 Following the revision of the Constitution of the Joint Committee in May 2018, it states that the committee must also hold an Annual Meeting in June wherever possible but no later than July.

3.8 Currently all meetings are held on Thursdays at 4.30pm and are held in rotation around each of the Partnership authorities.

## **4. NEXT STEPS**

4.1 Members are asked to consider the dates detailed in the appendices and notify the Committee Secretary of any issues.

4.2 Once the dates are agreed the Committee Secretary will book the venues and confirm the dates and locations to the Committee Members.

**DRAFT SCHEDULE OF QUARTERLY MEETINGS – THE LEICESTERSHIRE PARTNERSHIP  
JOINT COMMITTEE REVENUES AND BENEFITS**

**2018/2019**

Thursday, 6 September 2018	4.30pm, location to be confirmed
Thursday, 22 November 2018	4.30pm, location to be confirmed
Thursday, 24 January 2019	4.30pm, location to be confirmed
Thursday, 25 April 2019	4.30pm, location to be confirmed

**2019/2020**

Annual Meeting	Thursday, 27 June 2019	4.30pm, location to be confirmed
----------------	------------------------	----------------------------------

**DRAFT SCHEDULE OF REDUCED NUMBER OF MEETINGS – THE LEICESTERSHIRE  
PARTNERSHIP  
JOINT COMMITTEE REVENUES AND BENEFITS**

**2018/2019**

Thursday, 22 November 2018	4.30pm, location to be confirmed
Thursday, 24 January 2019	4.30pm, location to be confirmed

**2019/2020**

Annual Meeting	Thursday, 27 June 2019	4.30pm, location to be confirmed
----------------	------------------------	----------------------------------