





CIVICA

transforming the way you work

**Gloucester City Council
Revenues & Benefits
Annual Performance Report
2014/15**



**Gloucester
City Council**
Transforming Your City

Executive Summary

2014/2015 has been an exceptional year with an increase in work volumes as a result of legislative changes combined with a number of key large scale project to be delivered. Despite this the team have continued to work hard and delivery a very good standard of service for Gloucester's residents.

The ability of the service to deliver has been affected by both internal and external factors this year including systems downtime which has affected the Council as a whole as well all the need to contribute to a number of large scale projects such as change of Banking provider, the transfer of Gloucester of City Homes running concurrently with the annual billing and benefit calculations. In addition the Department of Works and Pensions introduced the Real Time Information (RTI) project, requiring the service to reassess 500+ benefit claims based on information from HMRC.

We continue to see a rise in the number of domestic properties in the City which increases the workload for Council Tax in particular.

In 2015/2016 we will continue to work to the council's priorities with a list of activities shown on the final page of this report.

KPI No	KPI Description	Target (Full Year)	Annual perf.	Status
1	Council Tax Collection (in year)	97%	97%	▲
2	Council Tax Collection (arrears)	30.00%	32%	▲
2	Business Rates Collection (in-year)	97.60%	98%	▲
2	Business Rates Collection (arrears)	35.00%	29%	▼
3	Speed of New Claims Processing	20 days	21.73 days	▼
4	Speed of changes in Circumstances Processing	9 days	8 days	▲
5	Outstanding Workload (Revenues)	N/A	1335	N/A
6	Outstanding Workload (Benefits)	N/A	2487	N/A
7	Local Authority Error Overpayments	<0.48	0.35%	▲
8	Customer Complaints	N/A	42	N/A

Performance Highlights

- ▶ Transfer of Housing Stock to Gloucester City Homes – This project affected all parts of the team. All council tenant benefit claims had to be converted to rent allowances to take account of the change of ownership, this also included changes to the way Housing Benefit is paid. Some commercial rent, wayleaves and leasehold buildings insurance arrears transferred. The life link service also transferred to GCH. Changing liability on Council Tax

and Business Rates accounts from Gloucester City to GCH. This had to be completed at the same time as the usual Year End processing.

- ▶ Customer care training for all team members has contributed to a drop in complaints of 34% from 2013/14 to 2014/15 and an increase in compliments for great service.
- ▶ 55,000 Council Tax bills were dispatched along with the new calculation of Housing Benefit and Council Tax Support for 2015/16 which was 12,000 notifications. This year, we matched those receiving both a Council Tax bill and Benefit notification, meaning that the resident received one piece of post. We were able to match a total of 7,238 bills & benefits notifications.
- ▶ We worked closely with the finance team to withdraw payment by cheque to customers - this project was run in conjunction with the change of bank project. The work included writing to customers who had been issued with Council cheques in payment to advise them to present the cheque or alternatively to provide their bank details to pay the amount into. In addition changing working procedures and systems to accommodate the collection of bank details and processing refunds via BACS.
- ▶ The successful TUPE transfer of the Fraud team and responsibilities to the DWP in March 2015.

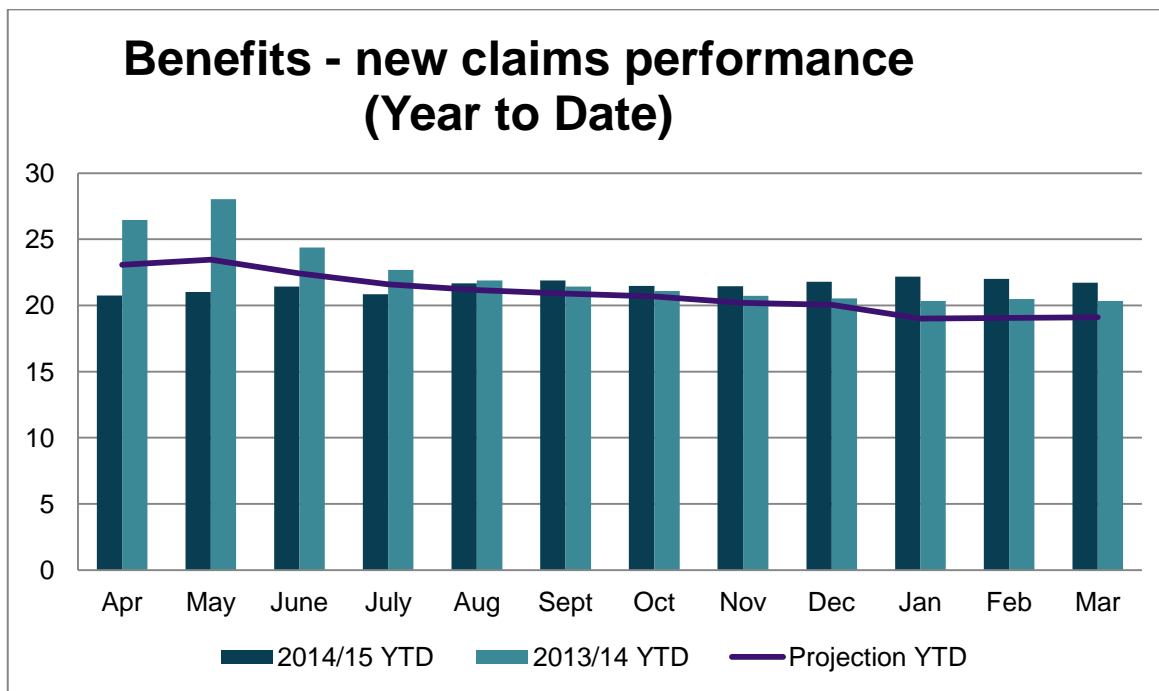
Performance Lowlights

- ▶ The various system outages which delay work being processed and creation of backlogs
- ▶ The impact on collection of overpayments as a result of Real Time Information data-matching which was not expected when setting the performance indicators for the year.

Benefits Performance

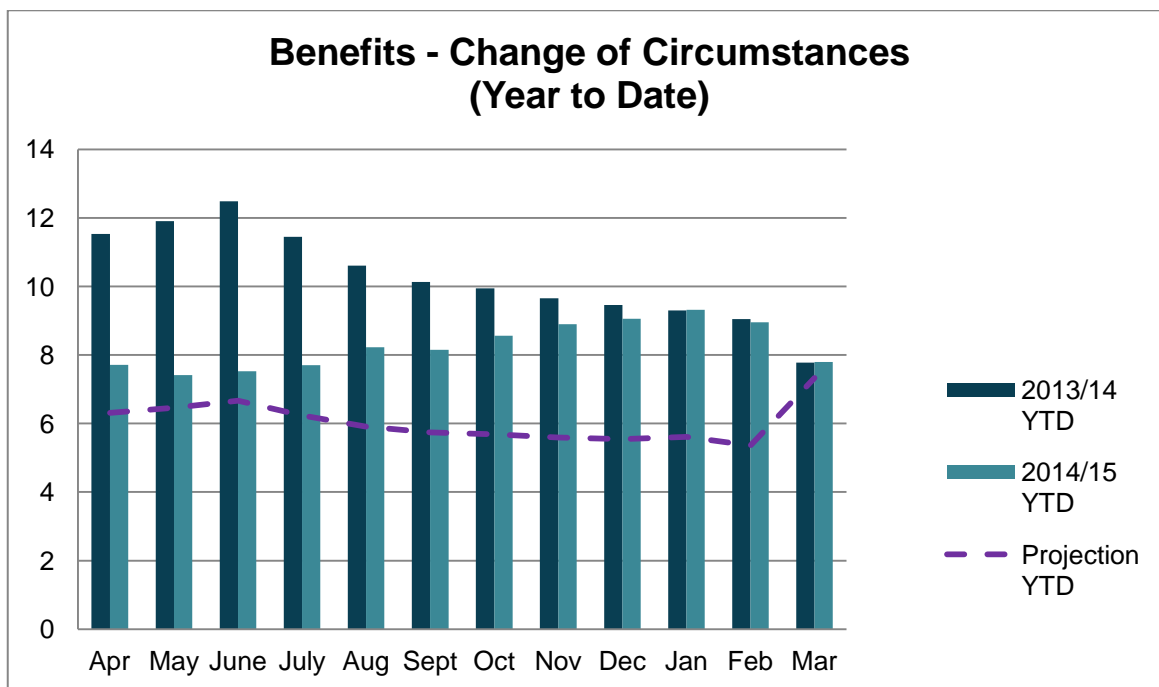
Benefit – New Claims Processing Performance

The average time to process new claims in 2014/15 was 21.73 days, rounded to 22. This is a slight decrease in performance from 2013/14 though in the main this is due to 500+ reassessments from processing Real Time Information (RTI) cases. RTI is data-matching between HMRC and DWP for wage/salary information which was piloted between October and March 2015, further details are shown on Page 5.



Benefit – Change of Circumstances processing

The average time to process a change in 2014/15 was 7.8 days, rounded to 8 days. Pleasingly, this is well within the annual target.



Discretionary Housing Payments (DHPs)

Numbers of DHP applications received in 2014/15 totaled 946. This is an increase of approx 41% over the previous year.

	2011	2012	2013	2014	2015
Jan	6	21	20	67	64
Feb	12	22	27	72	74
Mar	23	29	89	69	97
Apr	19	21	101	81	
May	16	22	61	64	
Jun	21	18	42	81	
July	16	21	63	72	
August	8	23	56	75	
Sep	17	19	61	90	
Oct	24	22	25	79	
Nov	16	27	63	84	
Dec	17	16	50	85	
Total	195	261	596	919	235

The total paid out amounted to £182,761.11 out of a funding allocation of £252,658. The DWP have notified of the grant for 2015/16 which amounts to £185,753.

LA error overpayments – ‘year to date’ performance

The LA error percentage for 2014/15, having been adjusted since the March figure, now stands at 0.35% which well below the target of 0.48% at which the authority would lose subsidy.

Real Time Information

The DWP introduced a new set of data-matching of salary details reported to the HMRC against those held for Benefit purposes. The pilot operated between October 2014 and March 2015 and in total we received 549 cases to review. This identified a total of £660k benefit overpaid where claimants had not provided us with information relating to changes in their income. Unfortunately this has had a negative effect on council tax collection and the amount of housing benefit overpayments outstanding and increased the arrears to be collected moving into 2015/16.

The table below shows a breakdown over the period.

Date Received	Number	HB Overpayment	Council Tax Support Overpayment
October 2014	113	£101,489.63	£19,628.24
November 2014	201	£248,080.41	£56,785.55
December 2014	85	£72,796.78	£17,222.02
January 2015	90	£62,290.13	£9,123.33
February 2015	60	£59,340.79	£13,715.31
Total	549	£543,997.74	£116,474.45

Work Volumes - Benefits

The total amount of work received in 2014/15 amounts to 120,746 which is a reduction compared to 2013/14 figure of 137,369.

Caseload

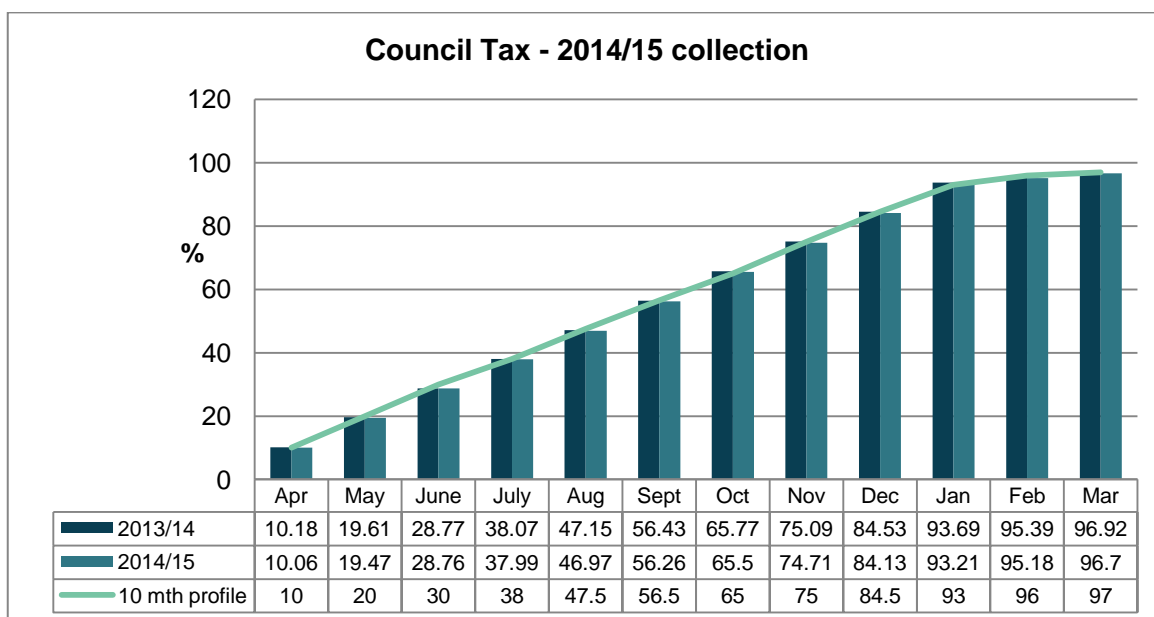
The following table gives a breakdown of the caseload and the variation since the contract started in October 2011.

Claim Type	Mar-15	Variation since Oct 11
No of cases	12011	-3.7
HB cases	9683	
CTB cases	10193	
Private Tenant cases (a)	4191	
Registered Provider cases (b)	2403	
Private cases (a+b)	6594	
Council/rent rebate cases	0	
Pension age cases	4045	
Working age cases	7966	
No of HB/CTB claims - total	19876	

Revenues Performance

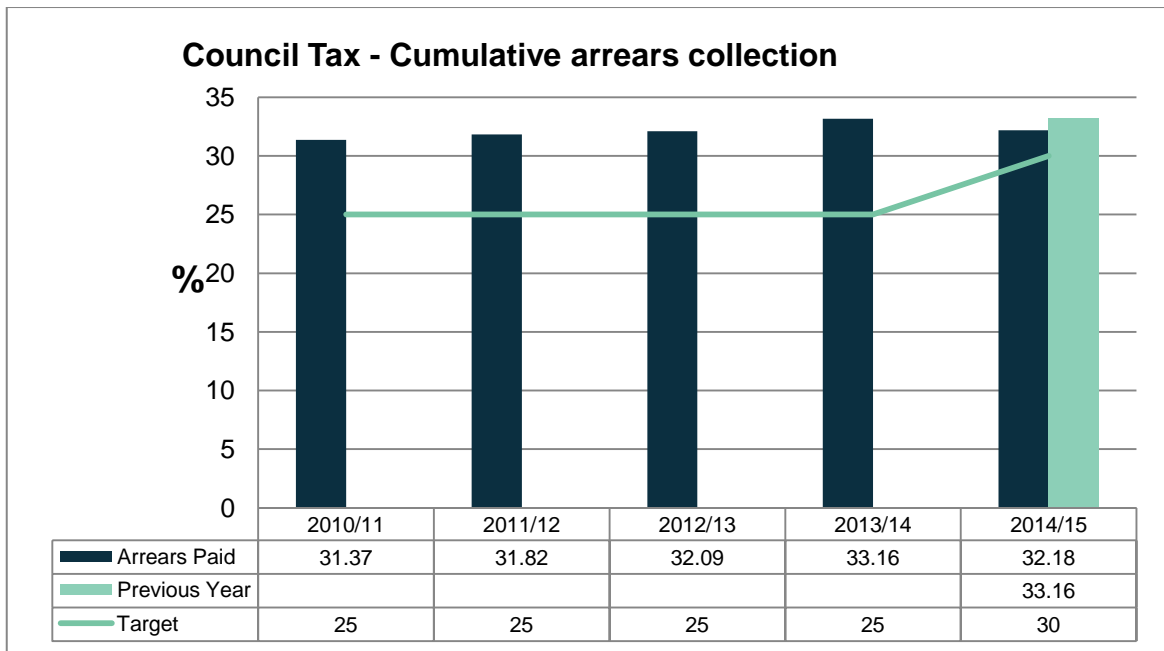
Council Tax – collection for 2014-15 year only

The table below shows current year collection of £53m for 2014/15 in a cumulative format. The out-turn collection rate rounded to the nearest percent is 97%. This figure achieves the agreed target. This is a good outcome considering the unexpected impact of Real Time Information creating an increased debt of £116k, 0.22% of the debt.



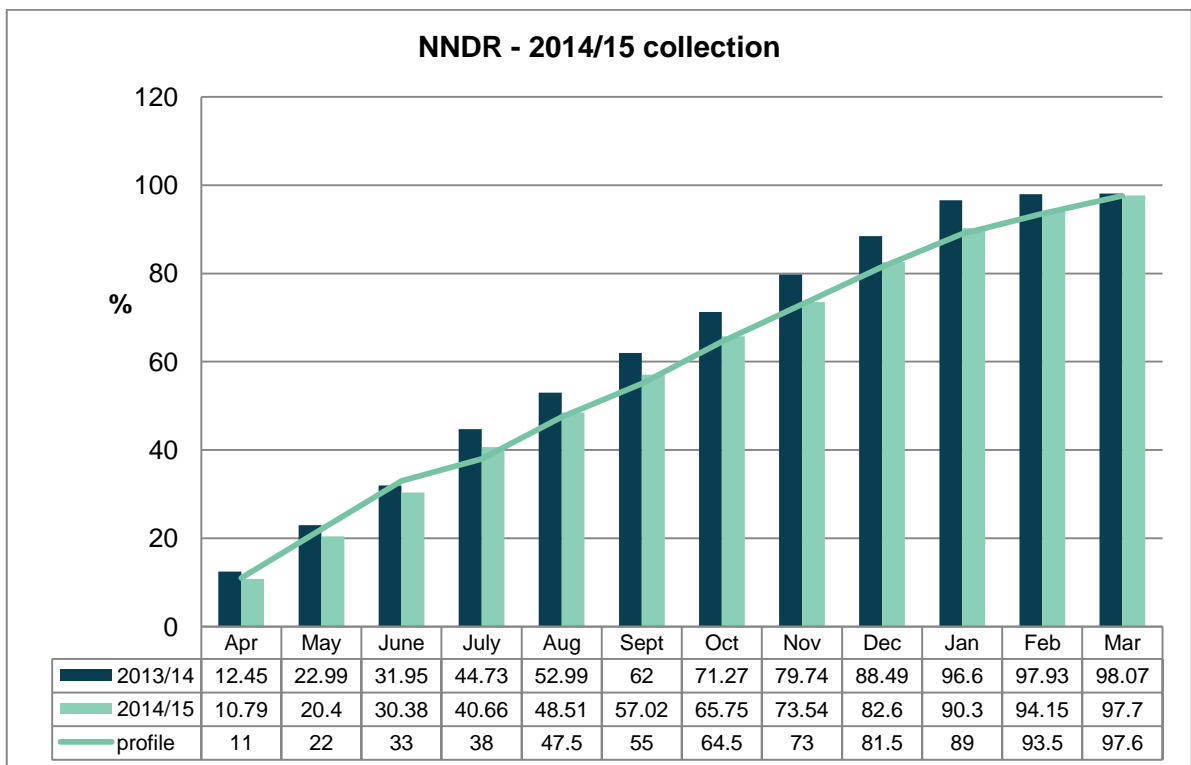
Council Tax – arrears

The total outstanding arrears at the start of 2014/15 were £5m. For 2014/2015 financial years collection amounts to 32.18 % which is approx £1.609m.



Business Rates – collection for 2014-15 year only

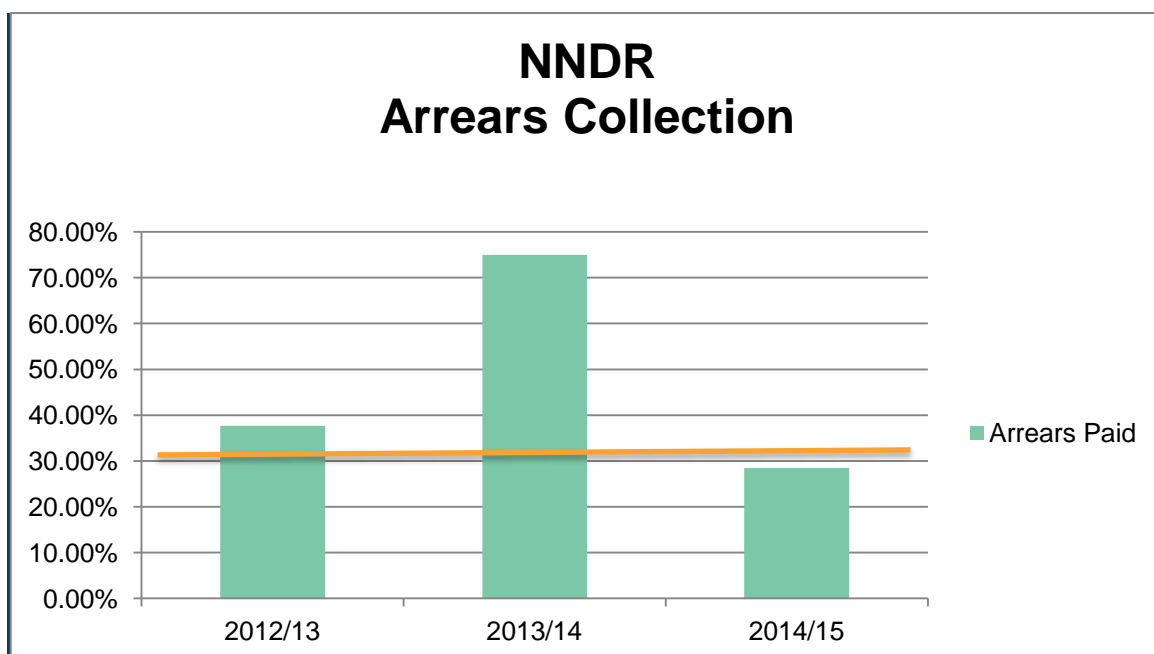
The chart below shows performance this year against 2013/14 performance. The profile shows the target for each month to achieve the annual target. Performance for the year stands at 98% rounded to the nearest percent. This is above the agreed target.



Business Rates – arrears

The total outstanding arrears at the start of 2014/15 were £1.873m, net of bad debts to be written off. 28.45% was collected, which equates to £533k of those arrears. Additionally

historical write offs amounting to £ 1.9m have been approved and input, to allow more clarity into the exact amounts still deemed collectable.



Work Volumes – Council Tax and Business Rates

The total amount of work received in 2014/15 amounts to 56,908 which is an increase compared to 2013/14 figure of 51,829. This increase is linked to the rise in the number of properties in the city from 2013/14 54,997 to 2014/15 55,666 (1.2%).

Additionally there has been an increase of almost 10% in terms of recovery notices sent amounting to 33,615 items.

Other Work Streams

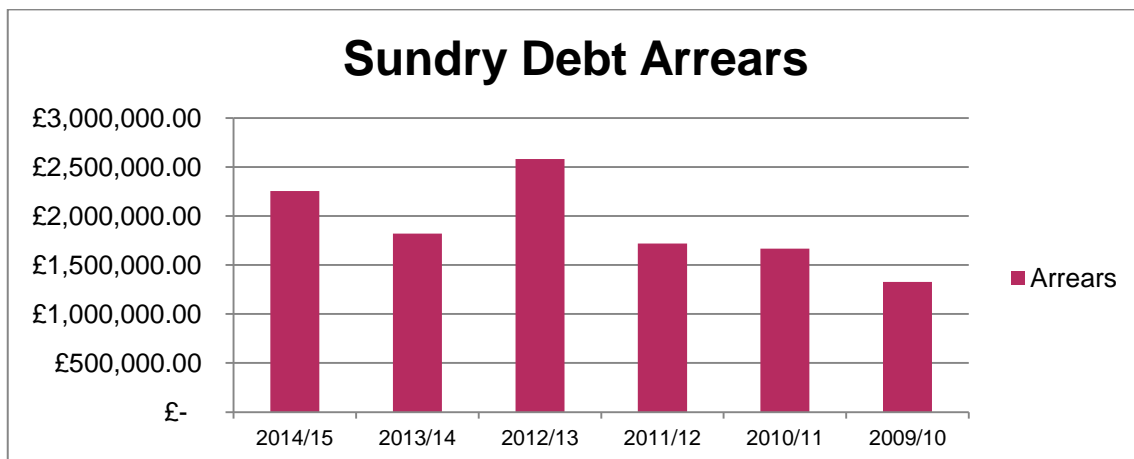
Sundry Debts

The debts collected as a sundry debt includes services such as garden waste, commercial rent, allotment fees etc. The table below shows the age debt of the outstanding total number of invoices with credit and debit balances as at 31.03.2015.

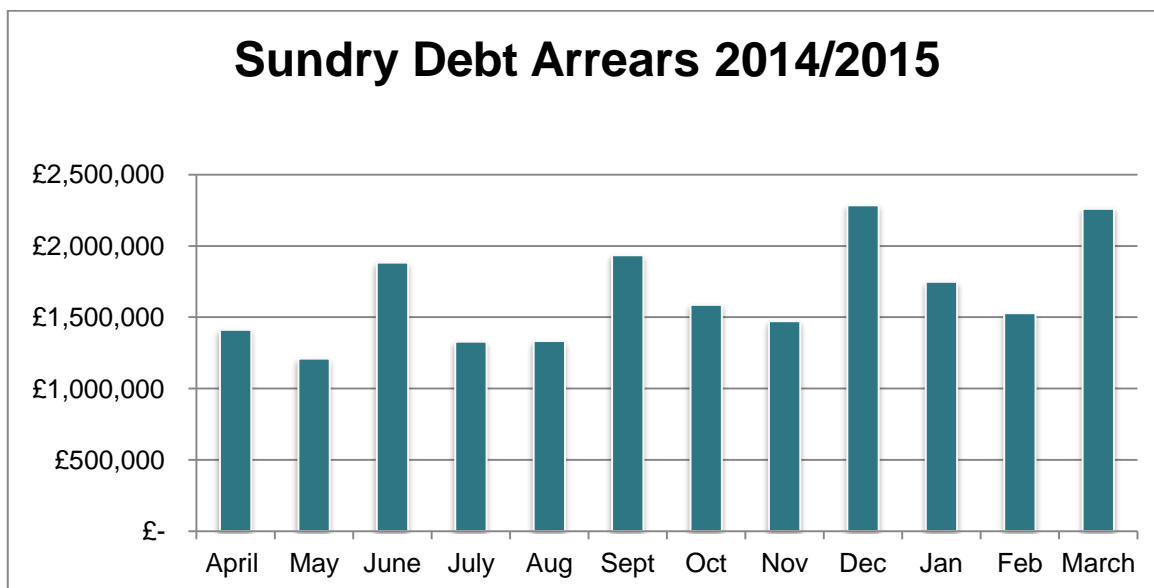
Age Range	£0 - £250		£250 - £1000		£1000 - £10000		£10000 +		Total	
Up to 29 days	£23,170.93	591	£81,855.42	148	£253,686.86	85	£974,638.84	20	£1,333,352.05	844
30 - 59 days	£2,121.78	124	£25,737.94	53	£42,226.61	21	£11,060.38	1	£81,146.71	199
60 - 89 days	£2,062.82	55	£4,806.00	11	£4,160.00	2	£11,535.02	1	£18,438.20	69
90 - 119 days	£14,691.52	64	£11,219.42	24	£17,265.28	8	£128,750.00	1	£142,543.18	97
120 - 365 days	£956.52	525	£83,932.67	180	£25,267.64	12	£22,075.65	1	£130,319.44	718
366 - 731 days	£15,595.68	247	£100,352.15	235	£28,072.32	12	£10,956.90	1	£154,977.05	495
732 - 1096 days	£21,970.73	258	£83,849.65	184	£28,423.48	10	£15,102.32	1	£149,346.18	453
1097 - 1461 days	£7,614.19	163	£37,115.60	85	£9,630.26	3	£23,501.40	1	£77,861.45	252
1462 - 1827 days	£4,164.25	104	£8,099.65	21	£1,165.50	1	£10,645.55	1	£24,074.95	127
1828 +	£1,477.46	348	£23,086.19	45	£62,204.41	23	£58,820.96	1	£142,634.10	417
Total	£55,449.24	2479	£460,054.69	986	£472,102.36	177	£1,267,087.02	29	£2,254,693.31	3671

The total number of invoices raised in the year was 27,090 with a debt totaling £9.3m. Please note that £291k was raised in the last 2 weeks of the year, meaning that there was no possibility of collecting this money within the financial year - £107k of this was raised by the Finance team and £90k by the Crematorium.

The chart below shows the level of arrears at the end of historic financial years.



This chart shows the level of arrears each month of 2014/15. Note the level of debt increased significantly in March 2015.



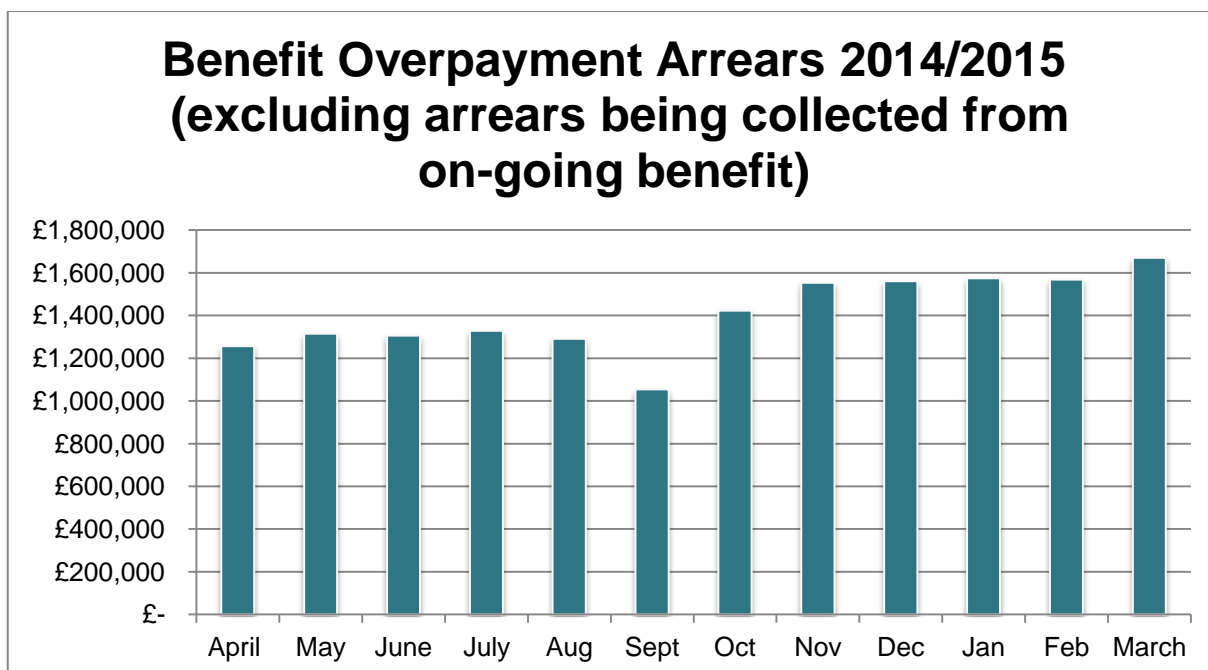
Housing Benefit Overpayments

Overpayments occur where a person receives more benefit than they are entitled to. This can be as a result of not being notified of a change in circumstance, DWP error, LA error etc.

The number of invoices outstanding at the end of March was 1,444 with a value of £1,669,916. Additionally there were 901 claims where money is being recovered from the claimants on-going benefit payments totalling £942,859.83.

For the year, 14,591 invoices have been raised.

The chart below tracks the arrears over the year:

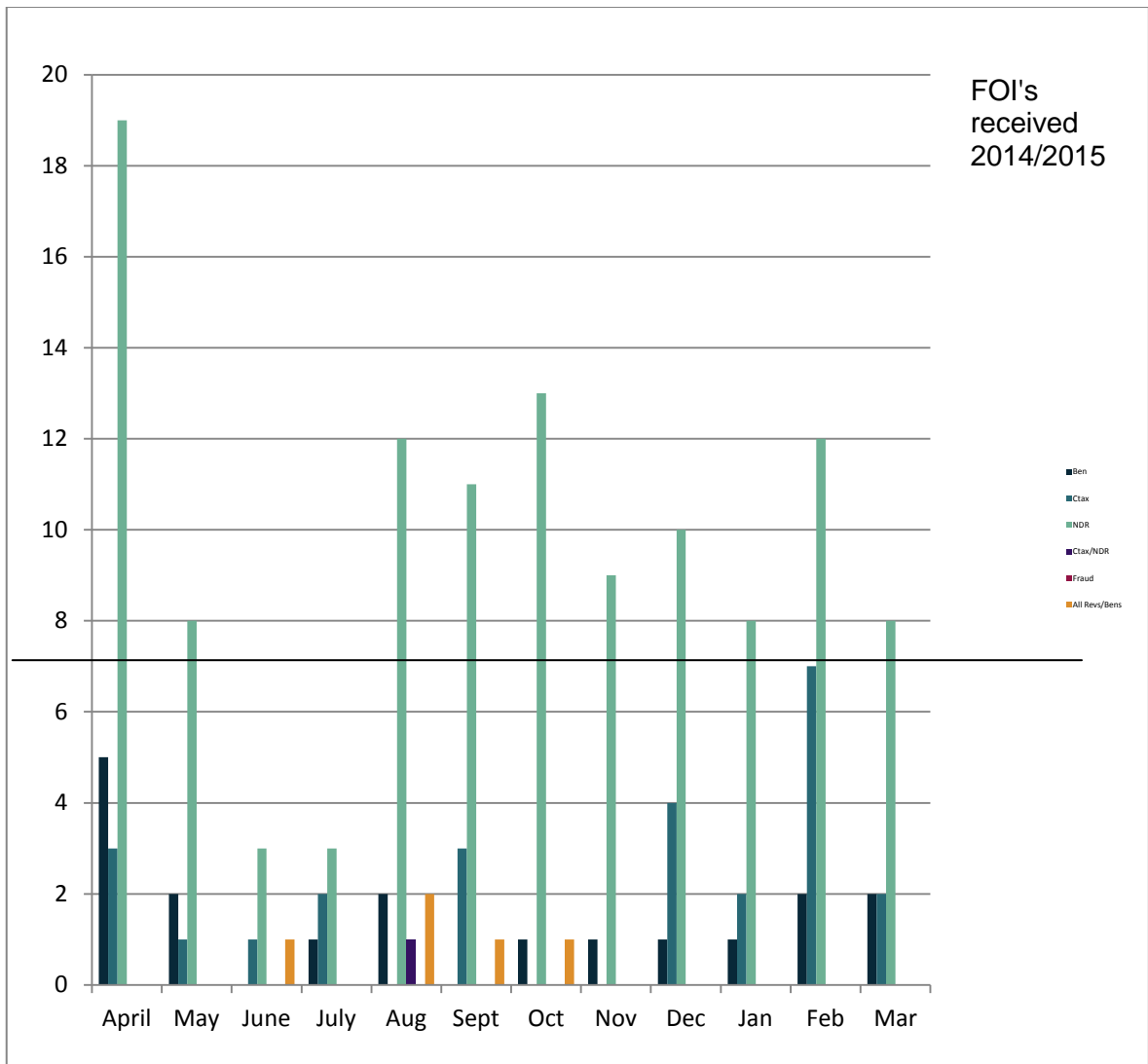


CUSTOMER SERVICES PERFORMANCE

Compliments, Complaints and Freedom of Information Requests (FOI's)

Type	Received in Year	No. Upheld as a result of Civica action	Total Upheld
Compliments	8		
Complaints	42	6	16

The service received 165 FOI requests in 2014/15, of which 116 related to Business Rates. The chart below shows the FOI requests received per month.



SERVICE IMPROVEMENT & DEVELOPMENT

SERVICE IMPROVEMENT PLAN

Projects/initiatives completed in 2014/15:

- ▶ The implementation and testing of Open Revenues release and patches totaling 36. An upgrade to the operating system for the Open Revenues software along with a system health-check.
- ▶ The calculation and dispatch of returns to the DWP, HMRC and DCLG, including NNDR1, NNDR3, CTB, QRC1-4, Subsidy forecast, Subsidy mid-year estimate, Final Subsidy.
- ▶ The calculation of the Council Tax base, and notification to preceptors.
- ▶ Further to the Council refurbishing its reception, the repositioning of the payment kiosk.
- ▶ Assistance with the Council's internal audit on Benefits, Council Tax, Business Rates and Sundry Debts.
- ▶ Assistance with the Council's external auditors on the Benefits subsidy claim
- ▶ The implementation of Risk Based Verification for assessing Benefit claims according to their risk score.
- ▶ Staff training has been undertaken on, Benefits treatment of Persons from Abroad, students, etc.
- ▶ The implementation of Real Time Information data matching of wage/salary details to Benefit claims.
- ▶ A mailing to all Garden Waste scheme users to reintroduce the use of stickers.
- ▶ Annual Billing of Council Tax and Business Rates along with the calculation of Housing Benefit and Council Tax Support for 2015/16, which included for the first year the matching of the council tax bill along with the council tax support notification.
- ▶ The business rates bills took account of the changes made by the Government announced in the Autumn Statement – this included the 2% cap on inflation used to calculate transitional relief, the new discretionary transitional relief scheme and the increase in retail relief from £1,000 to £1,500.
- ▶ Changes to the Council's banking contract – This included work to change direct debit processing for Business Rates, Council Tax and Sundry Debts to the new bank; to change the bank details with the merchant acquirers so that all credit and debit card payments are paid into the correct account; amendments to systems and stationery and on-going advice to customers with standing orders etc.
- ▶ An audit took place in December by the DWP on the processes to authenticate users of the CIS system.

Projects/initiatives underway:

- ▶ Completion of the implementation of the new on-line benefit claim form and integration with Risk Based Verification

CIVICA

- ▶ The software to automate changes to council tax support prompted by a change in council tax liability
- ▶ Pdf converter issues with the Sundry Debtors System
- ▶ Upgrade to Images@Work
- ▶ Data-matching in conjunction with the Audit Commissions National Fraud Incentive between Council Tax and the Electoral Register
- ▶ The implementation of new computer devices and the move to Windows 7
- ▶ The software upgrade to the Income Management System and upgrade of Chip & Pin devices
- ▶ Upgrade to Civica Automation Benefit Subsidy module
- ▶ The Universal Credit implementation due to go live at the end of June 2015
- ▶ The implementation of mobile payment devices

Future Projects/initiatives:

- ▶ Review of Sundry Debtor software
- ▶ Implementation of Civica's Open Revenues SMS texting and email facilities.
- ▶ Case Manager on Images@Work
- ▶ Garden Waste scheme – the alignment of all renewal dates to October
- ▶ The merger of DWP ETD and ATLAS files
- ▶ The revaluation of Business Rates properties ready for April 2017
- ▶ The further welfare reforms affecting Housing Benefit announced in the Queen's speech
- ▶ The replacement of the Council's Leisure software
- ▶ The replacement of the Council's Finance software
- ▶ Participation in the Fraud & Error Reduction Initiative (FERIS) to undertake active interventions and software reviews to remove error and fraud from Benefits.
- ▶ The introduction of Universal Credit in Gloucester from June 2015.