



Finance Select Committee

22nd September 2022

Briefing on Revenues & Benefits

John Chilver, Cabinet Member for Accessible Housing and Resources

Report for information



Introduction – Revenues and Benefits

Finance Select Committee have asked to receive a briefing on the Revenues and Benefits collection and arrears performance.

This slide deck sets out contextual information about the service and the performance, as well as an update on the major project to implement a single Revenue and Benefits system for the Council.

Contents

Section	Slides
Revenue & Benefits Service Metrics	4
Collection performance	5-13
Single System Major Project Background	14-23

Introduction to Revenues and Benefits Service - Metrics

Revs & Bens Service Metrics

CT c£473m BR £174m	13,597 housing benefit live claimants
230,000 council tax payers	23,500 council tax reduction accounts
14,000 council tax summonses	15,500 business rate payers

Single System Project Metrics

4 sites connecting via 3 different networks	Over 20 million transactions are converted
4 R&B data merges	Over 1.5 million accounts are converted
4 I@W document migrations and merges and a pre go live catch up load	140,000 Benefit claims are converted
17 database instances are required	9,061,592 Documents are being migrated

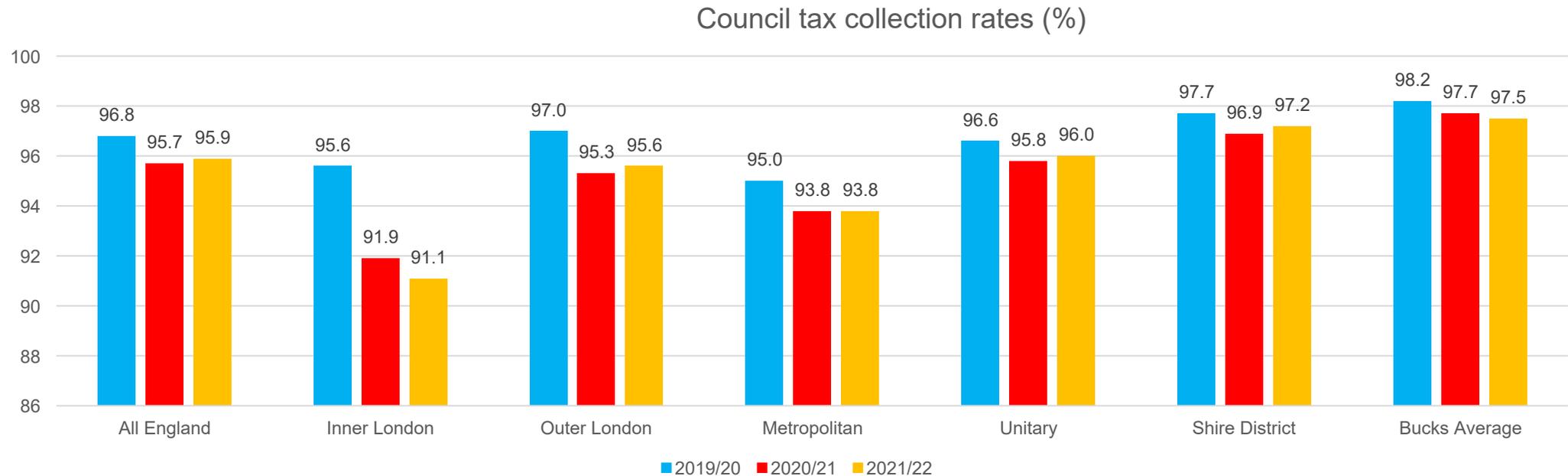


Council Tax and Business Rate Collection Performance



National Council Tax Collection Rates 2019-2022

- Traditionally shire districts have higher collection rates than any other type of authority

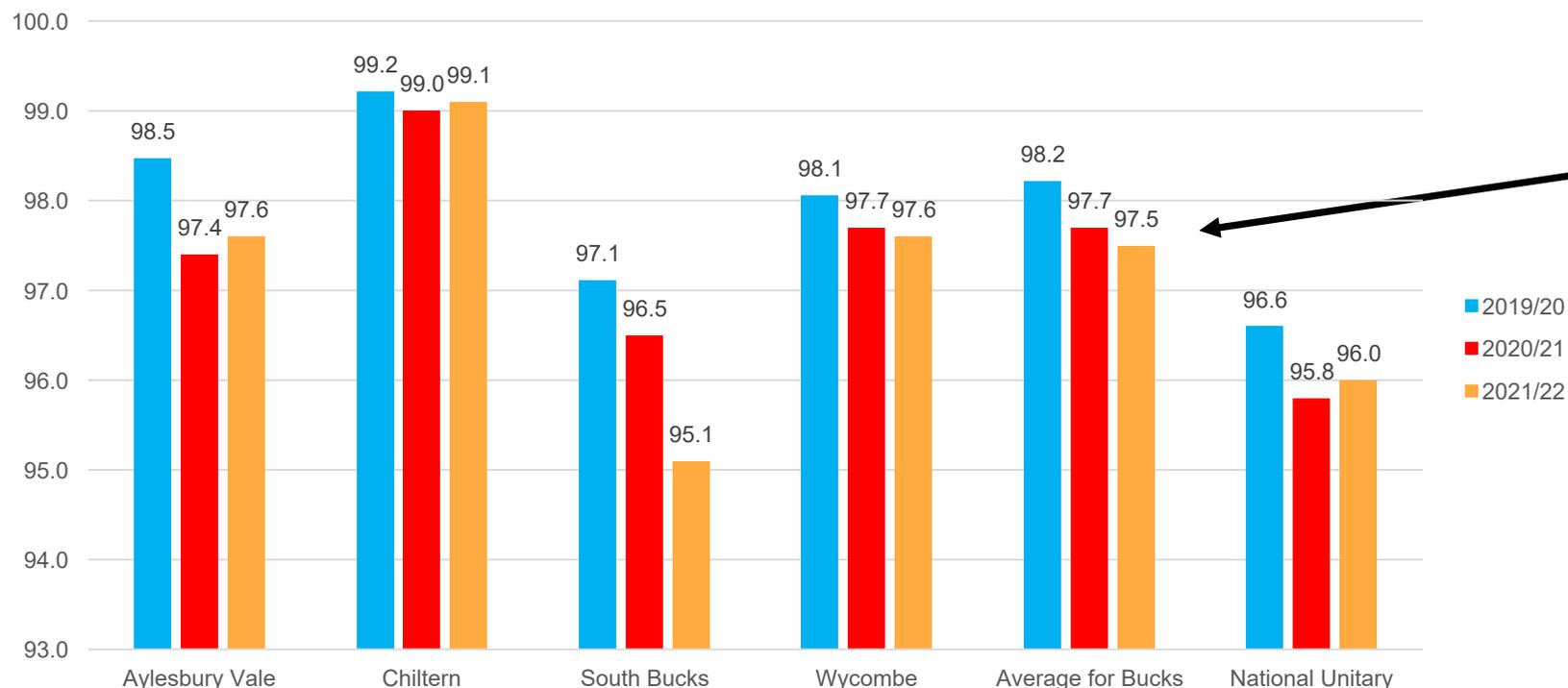


Source: LG Futures Collection rates for Council Tax and NNDR In England 2021 to June 2022

Council Tax Collection Comparison 2019-2022

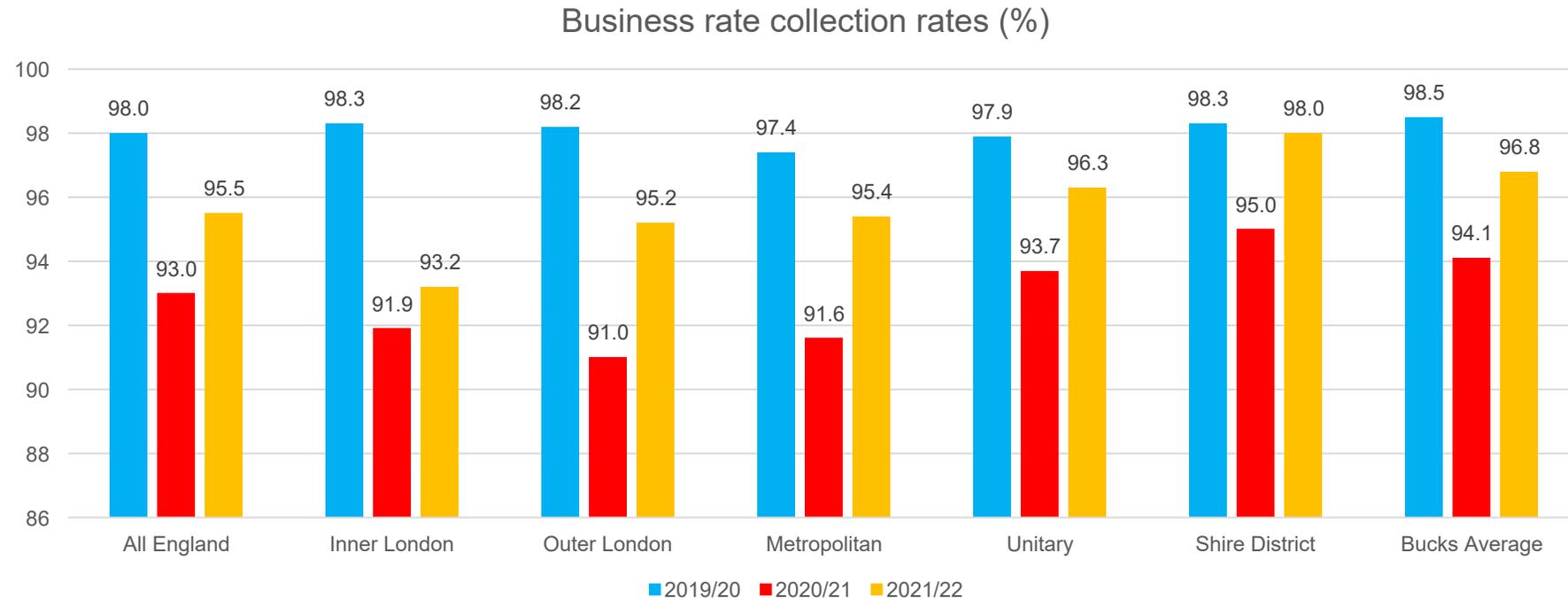
- Buckinghamshire consistently has performed above the national unitary average
- COVID has reduced collection rates nationally between 1% and 4% since 2020
- Buckinghamshire is also above the national Shire District average
- However, collection rates remain well below the rates in 2019/20 both nationally (0.9%) and in Buckinghamshire (0.7%)

Council Tax % Collected 2019-2022



National Business Rates Collection Rates 2019-2022

- Traditionally shire districts have higher collection rates than any other type of authority

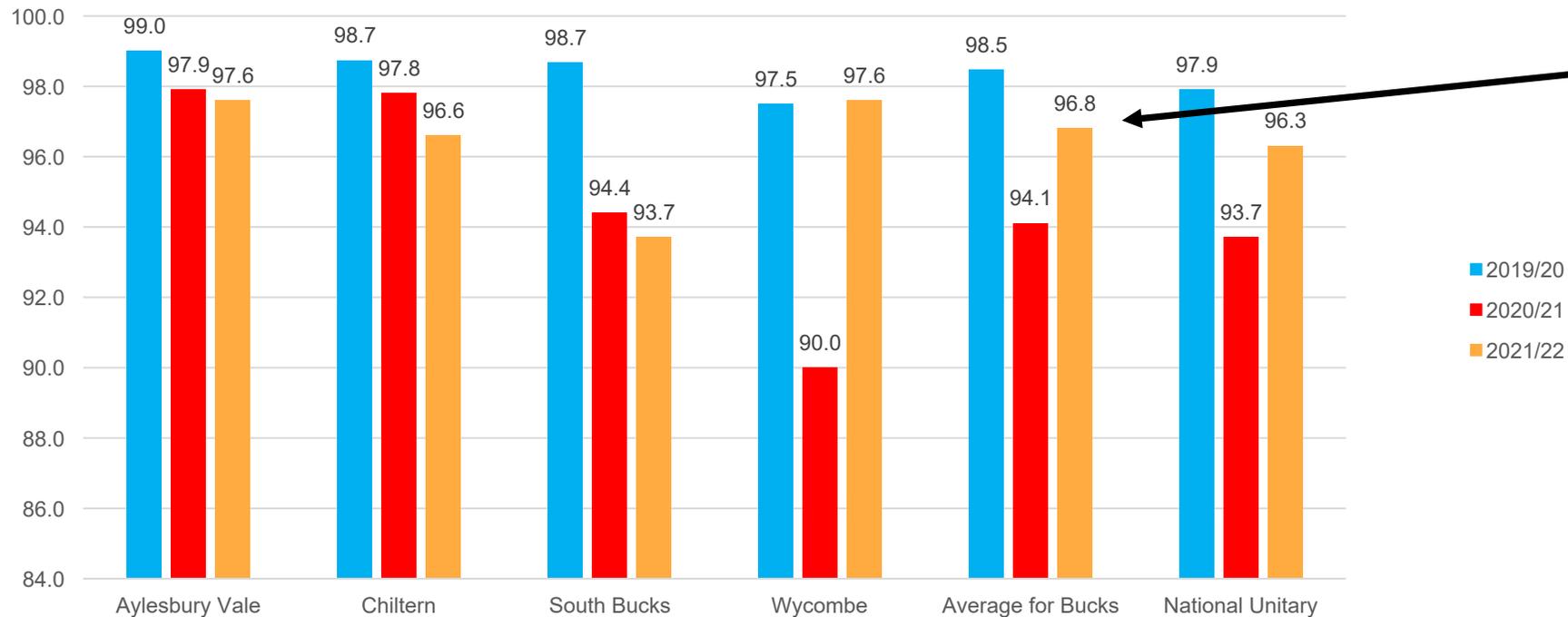


Source: LG Futures Collection rates for Council Tax and NNDR In England 2021 to June 2022

Business Rates Collection Comparison 2019-2022

- Buckinghamshire consistently has performed above the national unitary average
- COVID has reduced collection rates nationally between 1% and 5% since 2020
- Shire Districts appear to have performed slightly better than Buckinghamshire in 2021/22

Business Rates % Collected 2019-2022

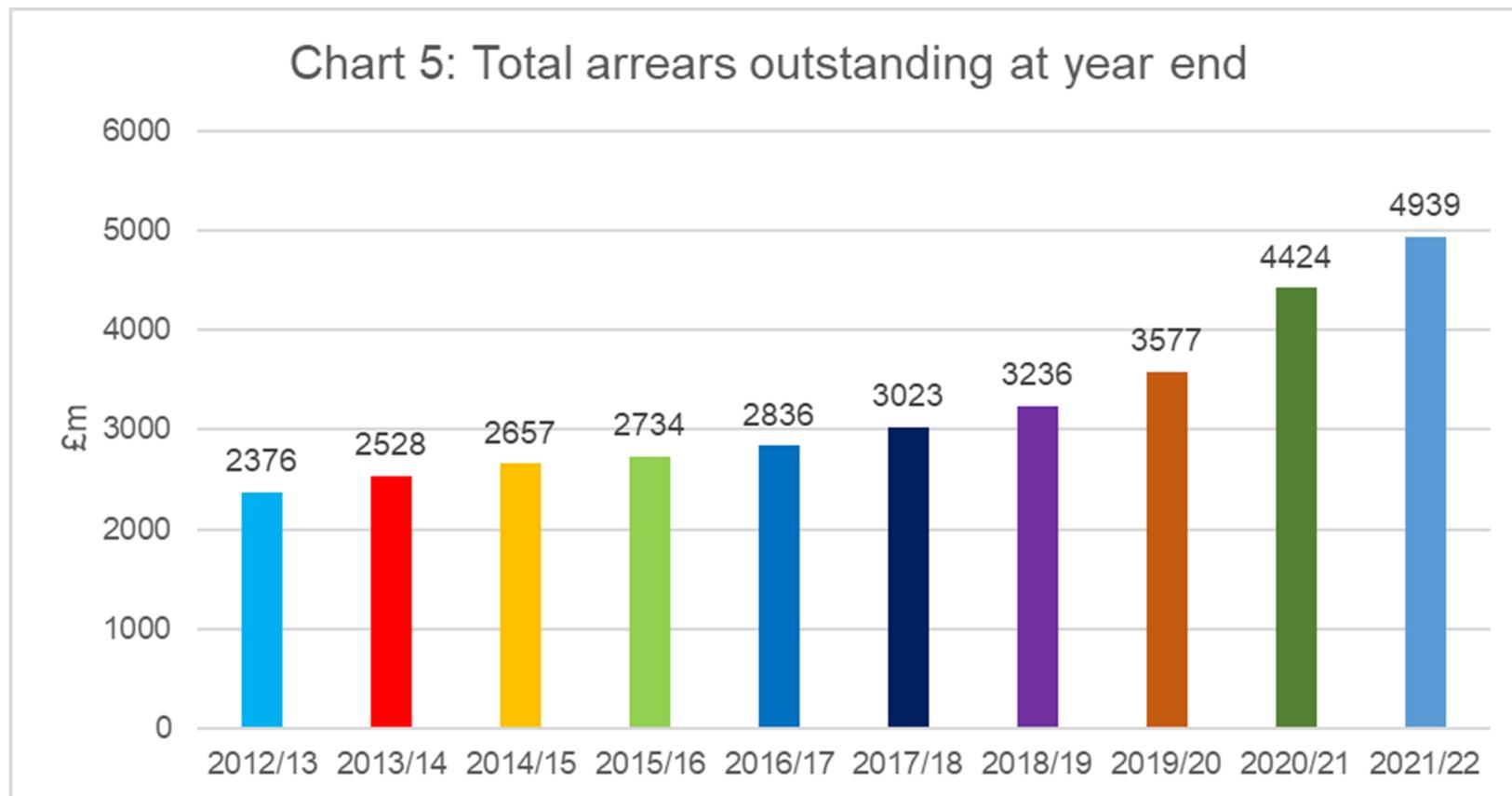


Shire District in 21/22 nationally was 98%

Council Tax Arrears Nationally 2012 - 2022

Chart 5 below shows that the level of outstanding arrears of council tax had already been increasing significantly even before the on-set of the Covid pandemic. Between 1 April 2013 and 31 March 2020 total arrears outstanding had risen by 51% from £2.4bn to £3.6bn compared to an increase of £0.4bn or 19% in the period 2007/8 to 2012/13.

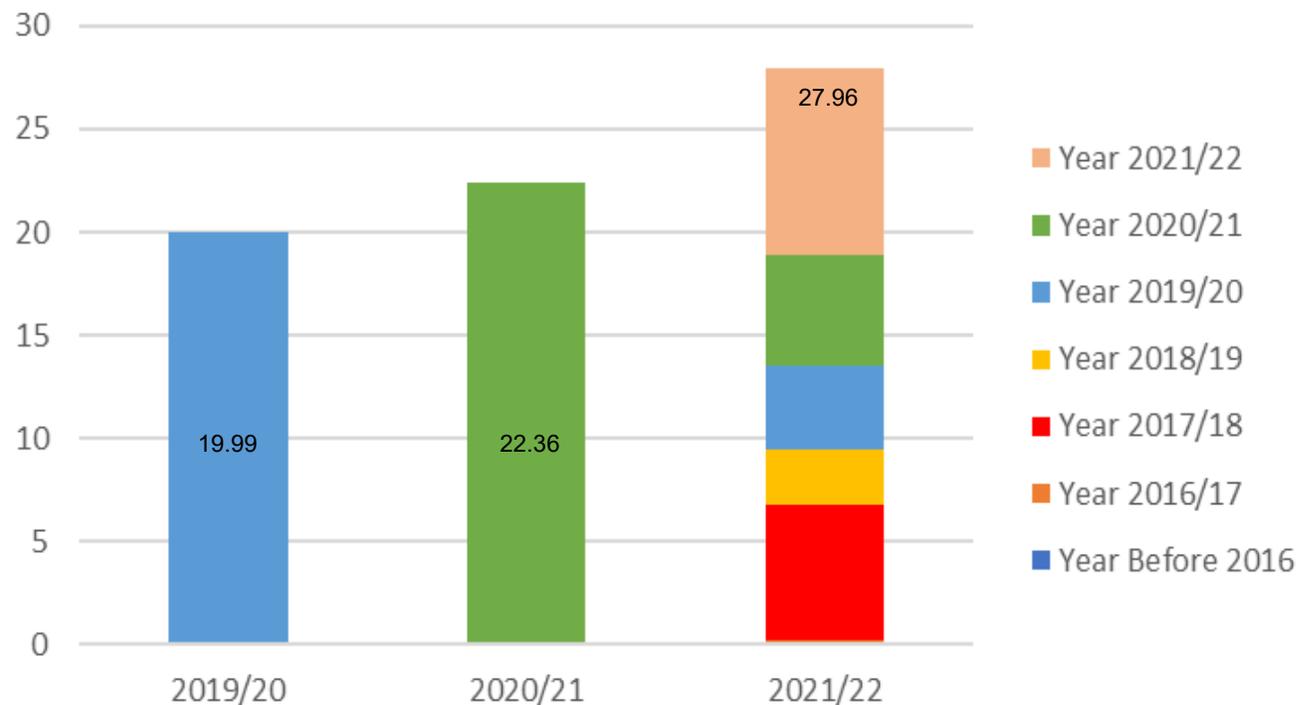
The further increase, since 2019/20, of £1.4bn (38%) in the cumulative level of arrears on council tax means that this figure has increased by £2.6bn since the introduction of council tax support which represents an increase of 108%.



Source: LG Futures Collection rates for Council Tax and NNDR In England 2021 to 2022 June 2022

Buckinghamshire Council Tax Arrears

Total arrears outstanding by year (£m)



The 40% increase in total arrears between 31st March 2020 and 31st March 2022 of £7.97m is broadly in line with the national increase of 38%.

Total arrears includes normal CT arrears and credits, which occurs when a resident overpays or prepays their Council Tax.

This reflects the impact of Covid and the limitations placed on recovery processes, with a restriction on court summonses during the height of the pandemic.

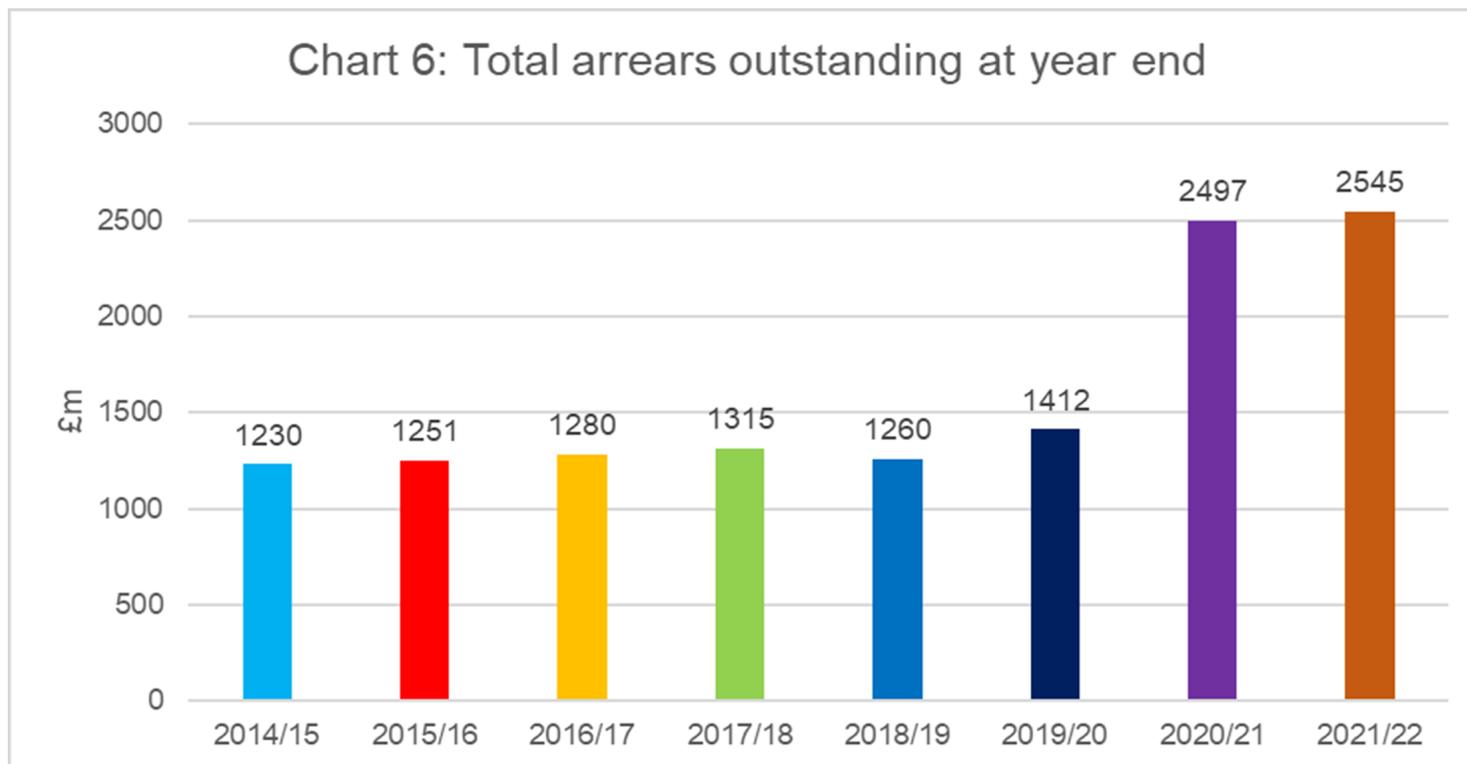
Arrears as a % of that collect over last three years is 2.2%

As part of the restructuring there is a single Council Tax Recovery Team who are focussed on recovering outstanding Council Tax. There are an increasing number of cases going to court, with summonsed debt being more likely to be recovered. Despite the system downtime, there are court dates already set for the end of November. There will be a continued review of all Council Tax arrears and a concerted focus on recovery during the 2022/23 financial year.

Business Rate Arrears Nationally 2014 - 2022

Chart 6 below shows the increase in total arrears outstanding at year end. The chart shows that although there had been some variability in the total level of arrears outstanding in earlier years, in particular in 2019/20, the impact of Covid-19 had been to increase the total levels by £1.1bn in 2020/21. This has been followed in 2021/22 by a further increase of £48m.

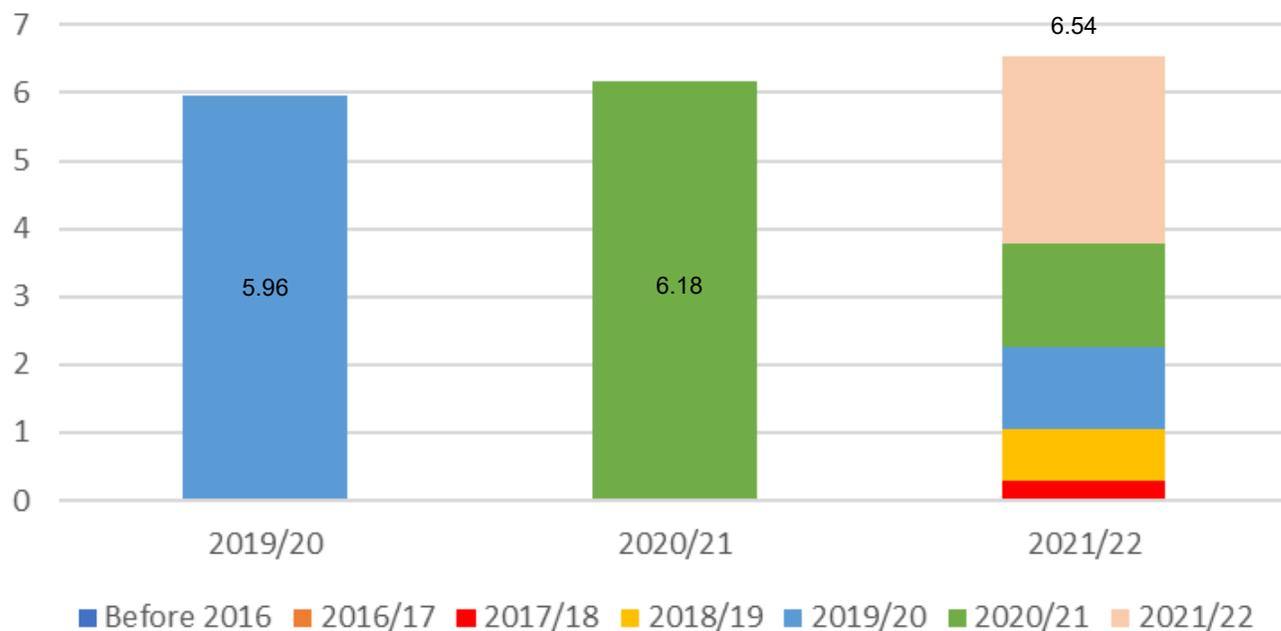
This has taken total levels of arrears outstanding from £1.4bn to £2.5bn, an increase of 80%. It remains to be seen how much of this will be collectable in future years.



Source: LG Futures Collection rates for Council Tax and NNDR In England 2021 to 2022 June 2022

Buckinghamshire Business Rate Arrears

Total arrears outstanding by year (£m)



The 10% increase in total Business Rate arrears between 31st March 2020 and 31st March 2022 of £580k is well below the national increase of 80%.

Total arrears includes standard Business Rates arrears and credits, which reflects rebates that are due to businesses. Excluding credits, Business Rates arrears have actually reduced by £1m (-32%).

Arrears as a % of that collect over last three years is less than 2%

As part of the restructuring there is a single Business Rates Team who are focussed on maximising collection and recovering outstanding business rates. With the pandemic over and the additional grant workload reducing the team will be focussing on ensuring arrears continue to reduce in the next year.



Single System Major Project



Single System Major Project background (slide 1 of 3)

The project to consolidate four legacy Revenues and Benefits systems down to one system began in February 2021. The legacy systems are Capita Academy (South Bucks), Civica (Chiltern), Northgate (Aylesbury and Wycombe). The chosen target system is provided by NEC Software Solutions (NEC previously known as Northgate).

The objectives of the project are:

- Build a Cloud environment, setup and configure the NEC Revenues and Benefits system and Information@Work document management software and applications platform.
- Data conversion, migration and merger of the existing Revenues and Benefits data and documents to the NEC Revenues and Benefits system and I@W cloud solutions.
- Implementation of a Customer Access Solution.

Single System Major Project background (slide 2 of 3)

The project is being delivered in two distinct phases.

- Phase 1 included the conversion and merger of data for the Aylesbury and Wycombe Northgate Systems and was delivered in December 21. This also included the implementation of the Customer Access Solution (Aylesbury & Wycombe), a cloud environment and an updated document management system. Phase 1 required five weeks of systems downtime and the clearing of the consequent backlog of work.
- Phase 2 will be the migration and merger of the Chiltern and South Bucks data into the new system. This will involve 11 weeks of system downtime with the system going live to the public on 27 October. Resources have been arranged to then address the consequent backlog of work and a recovery plan is in place across Revenues and Benefits and the Customer Service Centre.

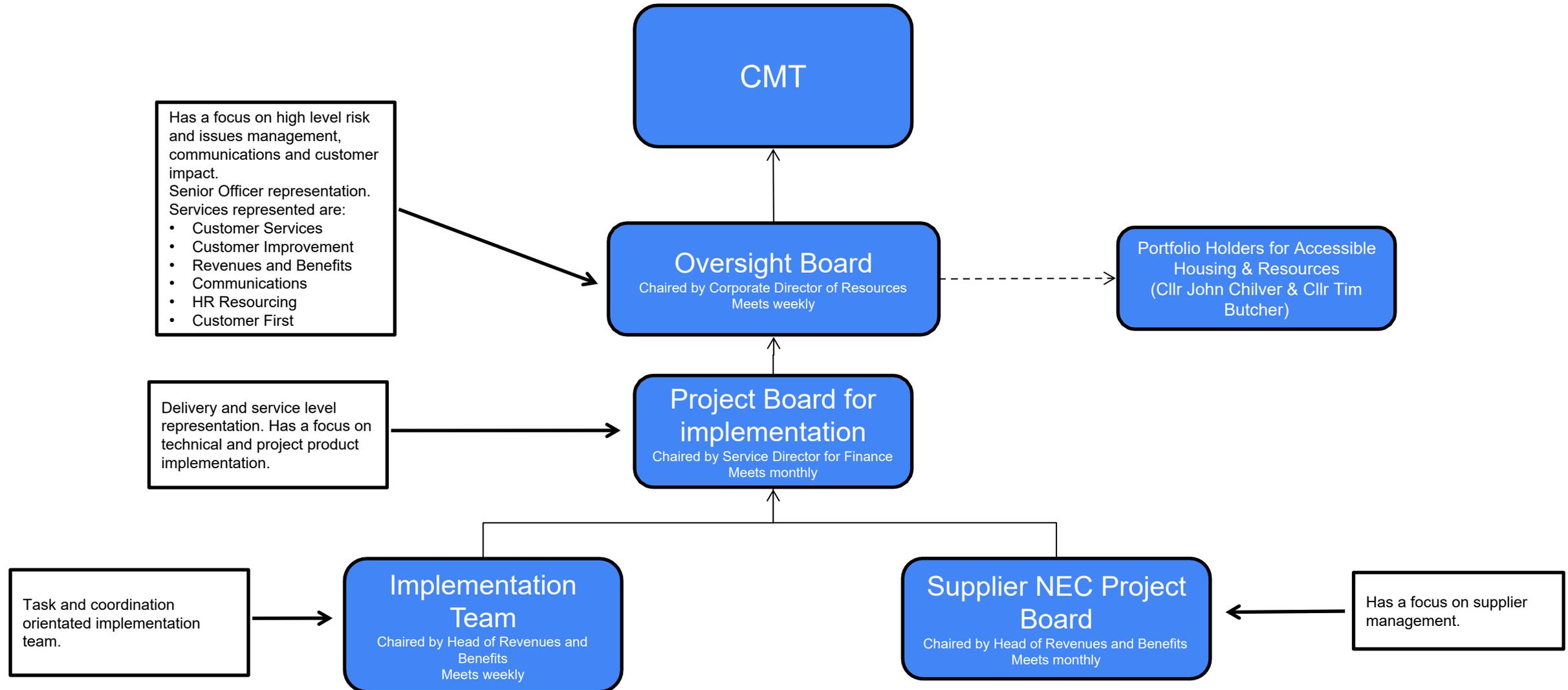
Single System Major Project background (slide 3 of 3)

The benefits of consolidating to a single system will enable Revenues and Benefits officers to be trained and work on the same system improving the flexible deployment of our staff. Together with the planned restructuring as part of the Finance Service Review, this will enhance the team working as a single Revenues and Benefits team with consistent policies and procedures. The new system will also improve the automation of tasks, and residents and businesses will be able to do more for themselves.

The detailed plan for this project, including the recovery plan, has been scrutinised in detail by the Risk Management Group on 28 July and there were no significant concerns raised about the plan or resources identified for the project.

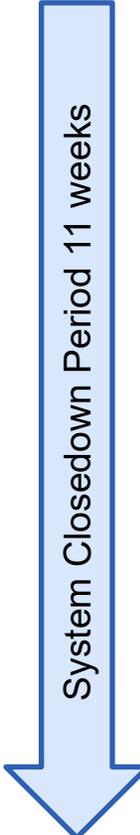
Chiltern and South Bucks area members were briefed on 1st and 2nd August and Aylesbury and Wycombe area members are due to be briefed on 12th September.

Single System Project Governance



Phase 2 single system implementation timeline

System Closedown Period 11 weeks



Timing	Activity
15/8	Chiltern & South Bucks System Closedown
18/8 – 1/9	Convert & load data (C&SB) - 2 systems
2/9-15/9	Reconcile & Data cleanse
16/9 – 21/9	Chiltern & South Bucks Load payment details into NEC
22/9	Aylesbury & Wycombe System Closedown
26/9 - 27/9	Merge Chiltern & South Bucks into live
28/9 – 4/10	Reconcile South Bucks
30/9 – 6/10	Reconcile Chiltern
7/10	System is live to staff for testing of basic functionality
10/10 - 19/10	Run stored payments
07/10 - 26/10	Urgent post live cleansing
27/10	Public Go-Live
01/11	Phase 2a of service review staff structure in place

Phase 2 single system - recovery timeline

Timing	Activity
07/10 – 27/10	Revenues & Benefits staff cleanse converted data
01/11	<ul style="list-style-type: none">• 15 Agency in Revs & Bens clearing backlog• 21 staff in Customer Service answering calls and this increases to 30 in March 23 ready for annual billing
03/11	Service User Number change on direct debits
30/11	Council tax and business rates recovery recommences
31/01	Chiltern direct debit customers informed of payment change
01/02	9 more staff available in Customer Service
16/03	Council Tax Annual Billing notices start to hit door mats

Communications – key messages

What is happening and when:

- We are moving from four old legacy revs & bens systems to a single system for the whole of Buckinghamshire. We are taking this opportunity to upgrade the offer
- To achieve this we need to switch off the system for a few weeks
- This will have an impact on some customers

What we need you to do:

- Be aware that the system will be down; customer correspondence at this time will be logged and action taken after the launch on 27 October
- We still need you to tell us about any changes in your circumstances
- In genuine emergencies we will work with the customer direct

Why we are doing it:

- It will provide a better and consistent service to council tax payers, benefits recipients and business rates payers
- A self-service option will enable customers to access their accounts quickly to find information or make updates
- This will free up staff to better support customers where needed
- A single system means costs will be reduced

Key message for Residents

1. The **majority of residents will be unaffected** by this closedown period – council tax direct debit and standing order collections, housing benefit payments and all online payment systems **will continue as normal**.
2. If **you need our help or assistance**, we are here to help and you can contact us: online as normal : www.buckinghamshire.gov.uk telephone : 0300 1316000
3. If you are **suffering hardship** during the closedown, emergency payments will be available. Full details will be available on the housing benefit web pages. All requests will be dealt with as a matter of urgency.

Contact Us

Residents can use our Revs and Bens on line forms, call on 0300 131 6000 or for genuine hardship they can email:
emergencypayments@buckinghamshire.gov.uk.

Members will have a VIP in box to contact the service for resident enquiries

RevandBensMemberenquiries@buckinghamshire.gov.uk