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**Manchester City Council  
Report for Resolution**

**Report To:** Resources and Governance Overview and Scrutiny Committee  
**Date:** 21 May 2009  
**Subject:** Annual update on performance in the Revenues and Benefits Unit  
**Report of:** City Treasurer

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**Summary**

This report provides performance data for the 2008/9 financial year for the Council Tax, Benefits and Business Rates Service areas. It also details current key issues and outlines plans for the new financial year.

**Recommendations**

Committee is requested to note the contents of the report and the steps being taken to increase Council Tax collection in the future and improve both the speed and accuracy of Benefits administration.

**Wards Affected:**

The functions and services covered in the report are provided to all wards in the city and are mainly covered by central government legislation. Business Rates and Benefits administration are carried out on behalf of central government.

Within the next financial year there will be a pilot scheme in four wards of the city as a result of a successful bid for Working Neighbourhoods funding. This will involve four project workers linked to wards in the city where Council Tax collection has been challenging. The wards are Harpurhey, Cheetham, Moss Side and Gorton South.

**Contact Officers:**

|                         |   |          |
|-------------------------|---|----------|
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**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Revenues quarterly reports 2008/9
- Benefits quarterly reports 2008/9
- Manchester Partnership Innovation Fund submission

## **1. Introduction**

This report provides members with annual performance results for the Revenues and Benefits Unit and covers the following areas:

- Council Tax collection;
- Benefits administration; and
- Business Rates collection.

The report also provides an update on developments or key issues affecting the service, including the review of single person discounts for Council Tax.

Finally the report will cover development within the service areas for the year ahead and the headline targets and objectives.

## **2. Background**

### **2.1 Council Tax**

The Council has 216,000 domestic properties that are liable for Council Tax. After various discounts, exemptions and Council Tax Benefit, the amount due to be collected within 2008/9 was £119.1M.

The number of properties within the city has been increasing annually and has increased from 199,000 in 2000 to 216,000 this year. Although showing some slow down in 2008 and 2009 this is still a significant increase within a relatively short period and represents growth of 8.5%.

Of the 216,000 properties, approximately 63,000 (29%) households at any one time receive some Council Tax Benefit towards their bill, of which approximately 50,000 (79%) of these households will receive full Council Tax Benefit.

The levels of transience in terms of the overall movement within the caseload and the levels of people going on and off benefits, along with the high levels of deprivation in the city make the collection of Council Tax challenging and complex.

### **2.2 Housing Benefit**

The Council pays out Housing Benefit (rent) to around 69,024 households at any one time. Of these approximately 10,700 are private tenants and the rest are split between registered social landlords and Manchester Housing tenancies. This profile is changing as properties move from Manchester Housing stock to other arrangements. These changes make the Benefits caseload more complex as these external tenure types require additional management arrangements and increased evidence requirements to support benefit claims.

## **2.3 Business Rates**

The Council collects Business Rates on behalf of Central Government from 22,000 business properties in the city (an increase of about 4% since 2002/3). During the same period the total Rateable Value of business properties in the city has increased by almost 14% to £704M. The total estimated contribution to the national business rate pool by the city during 2009/10 will be approximately £293M.

## **3. Issues affecting Performance during the 2008/9 financial year**

### **3.1 Economic Downturn**

The current economic downturn has affected all areas of the Unit in different ways.

- The Benefits Service has seen an increase in customer enquiries about entitlement and an increase in new claims, particularly from the private rented sector.
- Council Tax collection was affected in the latter part of the financial year when payments in the final quarter fell off and some customers did not pay according to their payment plans.
- Business Rates collection levels have been seriously affected this year by a combination of both the economic downturn and the change to legislation to collect business rates from empty properties.

For the 2009/10 financial year, central government have provided the Council with an additional £0.5M in grant income to assist the Council with the ongoing increase in benefits processing and caseload as a result of the economic downturn.

### **3.2 IT issues in the final quarter of the year**

Along with many other parts of the Council, the Unit has been affected by the IT issues that have been present since January. This is because the Unit's primary functions are all completely reliant on our computer systems with document imaging technology, on line processing and electronic claim forms.

These system issues affected all areas and have resulted in delays in processing benefits and have had a serious impact on all of the performance outcomes for the final quarter of the financial year. Recovery from the system problems will take several months as we continue to receive new claims and changes of circumstances as well as further correspondence as a result of delays and the escalation and duplication of customer contact.

The IT problems came at a time when the Unit is under pressure generally, with the end of year processes, including annual billing for Council Tax and Business Rates (238,000 bills to be issued), benefits uprating (with the new benefit rates) and large scale rent increases. However, due to the hard work of staff all year-end processes were processed to timescale and the new year's Council Tax bills, Business Rates bills and benefits uprating letters were issued on time.

#### 4. Performance in the collection of Council Tax

##### 4.1 Current year performance

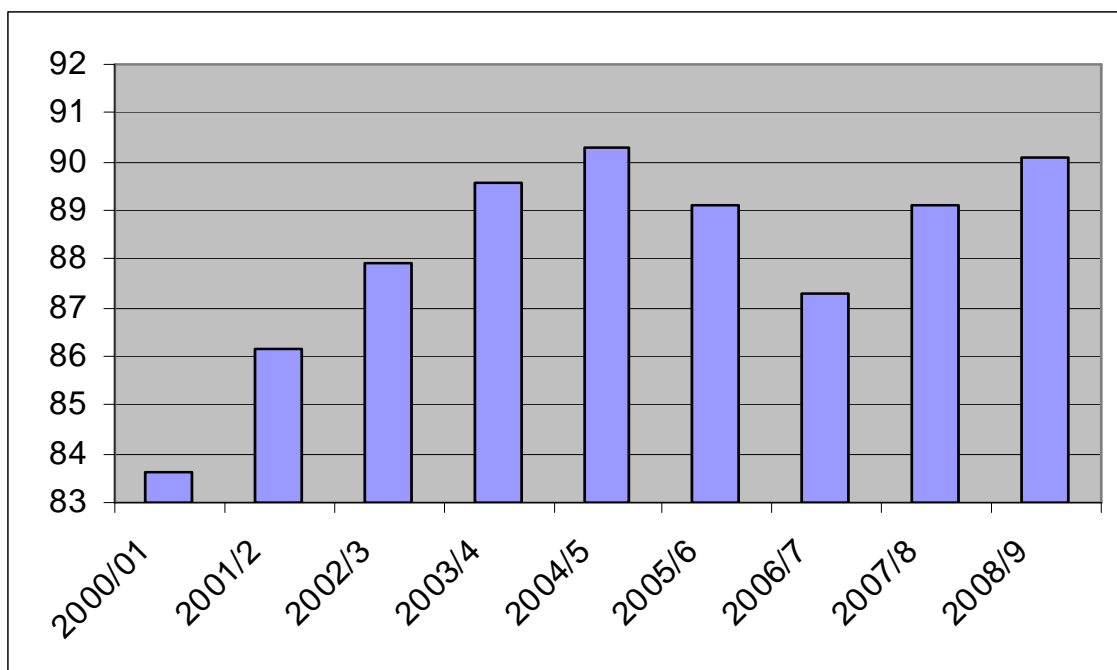
The Council Tax collection figures for 2008/9 have now been submitted to central government, with publication of the national results due in mid June. This annual performance figure measures the percentage of Council Tax due in 2008/9 collected between 1 April 2008 and 31 March 2009.

The Council collected 90.1% of the amount due for the year and this represents an increase of 1% on 2007/8, when 89.1% was collected.

In overall financial terms this represents an increase of in-year cash collection of £5.275M compared with the previous year. This is due to the increase in the Council Tax and the improvement in performance. The following table and graph track the in year collection performance.

Although still not at the level required, this result is positive in the current financial climate when some councils are reporting a static position or a decrease in their in year collection levels.

| <b>Council Tax in year collection performance</b><br>(Debt raised and collected in the financial year) |        |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|--------|
| 2000/1   | 2001/2 | 2002/3 | 2003/4 | 2004/5 | 2005/6 | 2006/7 | 2007/8 | 2008/9 |
| 83.6%  | 86.2%  | 87.9%  | 89.6%  | 90.3%  | 89.1%  | 87.3%  | 89.1%  | 90.1%  |
|  | +2.6%  | +1.7%  | +1.7%  | +0.7%  | -1.2%  | -1.8%  | +1.8%  | +1%    |



Collection does not stop at the end of the financial year but continues for as long as it is cost effective. In the long term, collection is expected to be around 98%. However, this takes many years to achieve.

Each financial year the Council collects several million pounds in Council Tax arrears from previous years. Details are as follows:

| Amount of Council Tax arrears collected by year (exc. costs) |        |        |        |        |
|--|--------|--------|--------|--------|
| 2004/5   | 2005/6 | 2006/7 | 2007/8 | 2008/9 |
| £6.4 M   | £6.7 M | £6.5 M | £7.1 M | £5.6 M |

## 5. Performance in Benefit administration

### 5.1 Performance Results

The table below shows headline performance results for benefits administration. This is shown from 2000/1 when the Council experienced major backlogs in benefits processing.

Processing times for new claims are still not at the level required and annual targets were not achieved. Work will continue to improve this in the next financial year.

|                       | <b>Processing New Claims</b> | <b>New claims in 14 days</b> | <b>Changes of circumstances</b> | <b>Accuracy of processing</b> |
|-----------------------|------------------------------|------------------------------|---------------------------------|-------------------------------|
| <b>Target</b>         | <b>25 days</b>               | <b>94%</b>                   | <b>12 days</b>                  | <b>99%</b>                    |
| <b>2008/9 Outturn</b> | <b>35 days</b>               | <b>83.8%</b>                 | <b>13.5 days</b>                | <b>98.8%</b>                  |
| 2007/8                | 31 days                      | 91%                          | 12 days                         | 98%                           |
| 2006/7                | 63 days                      | 71%                          | 21 days                         | 98%                           |
| 2005/6                | 49 days                      | 75%                          | 15 days                         | 99.6%                         |
| 2004/5                | 52 days                      | 76%                          | 21 days                         | 96.8%                         |
| 2003/4                | 64 days                      | 49%                          | 40 days                         | 97.8%                         |
| 2002/3                | 54 days                      | 46%                          | 31 days                         | 96.4%                         |
| 2001/2                | 88 days                      | 36%                          | 50 days                         | 96.4%                         |
| 2000/1                | 130 days                     | 29%                          | 47 days                         | 93.8%                         |

### 5.2 Caseload changes

In the past twelve months Manchester has seen an increase in caseload from 67,103 to 69,024 at 2.9%. When compared to other councils in Greater Manchester this increase is one of the lowest as some other local councils have seen substantial increases - Blackpool over 11% and Bury and Tameside both over 7%. However, even with this increase Manchester still has one of the highest numbers of benefits claimants to Council Tax accounts with 32% of the households in receipt of benefit.

| Local Authority   | Deprivation ranking* | Number of households | HB / CTB caseload (Feb 2008) | HB / CTB caseload (Feb 2009) | % increase in claims | % of claims to household numbers |
|-------------------|----------------------|----------------------|------------------------------|------------------------------|----------------------|----------------------------------|
| Blackpool         | 12                   | 69,718               | 21,963                       | 24,433                       | 11.25%               | 35%                              |
| Bolton            | 51                   | 120,456              | 29,159                       | 30,694                       | 5.3%                 | 25%                              |
| Bury              | 122                  | 80,953               | 16,351                       | 17,558                       | 7.4%                 | 22%                              |
| <b>Manchester</b> | <b>4</b>             | <b>216,000</b>       | <b>67,103</b>                | <b>69,024</b>                | <b>2.9%</b>          | <b>32%</b>                       |
| Oldham            | 42                   | 94,163               | 24,884                       | 25,501                       | 2.5%                 | 27%                              |
| Rochdale          | 25                   | 90,850               | 24,037                       | 25,865                       | 7.6%                 | 28%                              |
| St Helens         | 47                   | 87,000               | 20,761                       | 21,572                       | 3.9%                 | 25%                              |
| Salford           | 15                   | 108,000              | 30,098                       | 31,060                       | 3.2%                 | 29%                              |
| Stockport         | 161                  | 125,000              | 22,902                       | 24,170                       | 5.5%                 | 19%                              |
| Tameside          | 56                   | 98,552               | 23,485                       | 25,130                       | 7%                   | 25%                              |
| Trafford          | 178                  | 96,359               | 16,726                       | 17,465                       | 4.4%                 | 18%                              |
| Warrington        | 165                  | 87,515               | 15,022                       | 16,317                       | 8.6%                 | 19%                              |
| Wigan             | 67                   | 135,343              | 30,356                       | 32,231                       | 6.2%                 | 24%                              |

### 5.3 Fraud Activity

The Council continues to be active in dealing with benefit fraud. This is done by both the checking of claims in payment and the more investigative fraud work.

The Fraud Investigation Group recorded 299 sanctions in the 2008/9 financial year. The breakdown is as follows:

- 199 Cautions;
- 53 Administrative Penalties; and
- 47 Convictions

This level of sanctions performance would equate to top quartile performance under the previous performance measurement scheme. The activity of the Fraud Investigations Group, has resulted in overpayments of over £1.2 M being identified and raised for recovery. In total some 572 benefit claims were either ended or the amount of benefit payable was reduced.

The Council's Fraud Team was one of four councils shortlisted for the excellence in anti fraud award, by the Institute of Revenues, Rating and Valuation (IRRV). This recognised the teams' innovative approach to reducing fraud and error by both their proactive activity and their prevention work including training courses, publicity and working with partners.

### 5.4 Benefit Take Up

Details of how to claim Council Tax Benefit were included in a leaflet sent with all 2009/10 Council Tax bills. In addition, the Council will undertake targeted activity throughout the year using both data match reports and more general activity using the Mobile Advice Centre.

Staff have also recently attended open days at the following venues/events:

- The Trafford Centre
- Helping Over 50s Through the Economic Downturn

The Council Tax Benefit leaflet is also currently being updated and will be distributed shortly and benefits take up is covered as an advertisement of each edition of Manchester People.

Intelligence suggests that lots of people who are working and on a low income don't claim Housing Benefit and Council Tax Benefit although they may be entitled. To address this a poster, factsheet and a leaflet promoting HB and CTB for people in work have been produced. There was also a special take up mailout (of the material promoting Housing Benefit, Council Tax Benefit and education benefits) to schools and Surestart Centres in Wythenshawe. The Starting work poster and leaflets have also been distributed to leisure centres, GP's surgeries, libraries and Post Offices.

Since August 2008 the number of people claiming Housing Benefit and Council Tax Benefit on a low income has increased from 4,197 households to 4,697 - an increase of over 10% over the year.

#### 5.4.1 Mobile Advice Centre (MAC)

The Mobile Advice Centre is a fully modified single decker bus (adapted and computer enabled) and is jointly owned by the Association of Greater Manchester Councils (AGMA). The MAC was purchased using funding following a successful bid for a central government grant to improve benefits processing. From next year the running costs will be shared by the participating councils. Manchester has access to the MAC for four weeks in the year and this is used for targeted take up activity.



The MAC will be in the following areas in May (venues to be confirmed).

|        |                    |
|--------|--------------------|
| 26 May | Gorton Market      |
| 27 May | Central Manchester |
| 28 May | South Manchester   |
| 29 May | Harpurhey Market   |

#### 5.4.2 Pension Credit Exercise

Staff are in the process of working on a special exercise based on information provided by the Department for Work and Pensions (DWP). The list was provided by the DWP, cross-referencing their Pension Credit cases with Council data of customers liable for Council Tax, but who are not receiving Council Tax Benefit. Cases are being checked and where necessary a visit is carried out.

The exercise was started in March and the target is to have completed the exercise by July. It is still in the early stages, but so far eight new people are claiming Housing Benefit and Council Tax Benefit. This includes the following two people whose income has increased substantially:

- Customer A now receiving Housing Benefit of £68.30 per week and Council Tax Benefit of £12.62. Their benefit has also been backdated to December 2008
- Customer B is now receiving Housing Benefit of £69.20 per week and Council Tax Benefit of £16.82 per week.

Following this exercise further work will be carried out as detailed in the benefits take up plan.

#### 5.5 Recovery of Benefit Overpayments

Within the 2008/9 financial year, £4.09M was collected from benefit claimants who had been overpaid Housing Benefit. £1.61M of this was collected at the assessment stage by making deductions from ongoing benefit entitlement.

Our Recovery Team collected a further £2.48M, against an annual target of £2.65M. This is a positive result, as this type of overpayment is difficult to collect, because the people who have been overpaid often leave with no trace or remain on a low income or other benefits.

#### 5.6 Working with partners to improve customer service and benefits processing times

This is a key objective for the Benefits Service as closer working has been proven to improve customer service, support local service delivery and speed up processing times. The Council currently has service level agreements with 20 registered social landlords (RSL) who validate documents on behalf of the Benefits Service, with five further organisations expressing an interest recently.

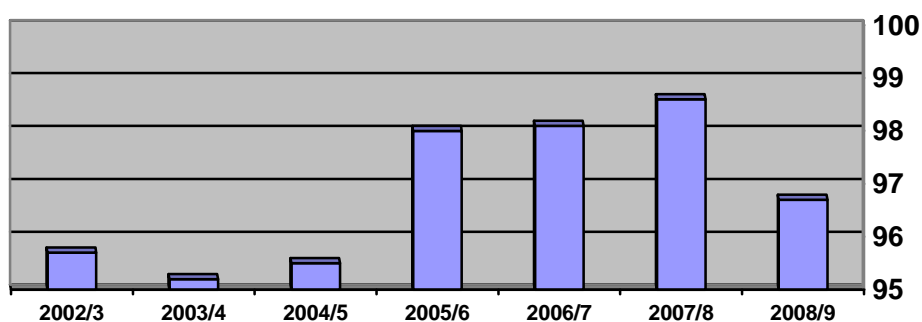
The Council is working in partnership with registered social landlords, piloting a new approach to benefits processing called the One Step claim process.

The One Step claim process is now up and running with St Vincent's Housing Association and Manchester Methodist Housing Association. The aim of this process is to significantly speed up the time taken to process a housing benefit claim, and reduce the number of claims not paid because information is missing. Registered social landlords agree to complete all new claims online, validate all the information needed for a complete claim and scan everything to the Benefits Service. Northern Counties Housing Association is the next to come on board with training already arranged. Adactus Housing Association has also expressed an interest in the One Step claim process and this will be progressed in the next quarter.

## 6. Performance in the collection of Business Rates

The collection rate for Business Rates is calculated in the same way as the Council Tax measure, although any money that is collected is passed to central government as part of the national pool.

Within the 2008/9 financial year, 96.7% of the net (collectable) debit was collected. This is a 1.9% reduction on last year's performance and follows a period of sustained improvement in collection performance. The 2007/8 performance was the Council's best ever result for in-year Business Rates collection.



During 2008/9 the Council has been required to collect full Business Rates from empty properties (previously many of these properties were exempt and the remainder paid 50%).

Intelligence suggested that collecting from this new area would have an impact on overall collection levels and the fall in collection performance may be attributable (at least in part) to the changes to the empty property rate.

Efforts are being made to ensure the business community receives assistance during these difficult times. A further Small Business Rate Relief take up campaign has been undertaken and during 2009/10 businesses who are contacted as a result of late payment will receive details of where they can obtain business information and support ([www.businesslink.gov.uk](http://www.businesslink.gov.uk)).

## **7. Review of Council Tax Single Person Discounts**

The Council is in the process of reviewing all awards of single person discount. Of the 216,000 households in the city, 85,000 claim a single person discount, 43,000 of these with other benefits and 42,000 with this discount only.

Because of the size of the task the review was initially piloted in three wards, Ancoats and Clayton, City Centre and Whalley Range.

The full review process is in several stages as follows:

- A review form is sent to all households where a single person discount is claimed (excluding benefit claimants at this stage) for them to confirm if they still wish to claim.
- If confirmation of the continuing entitlement is received, the account is updated and a record of the review noted.
- If there is no reply a reminder is issued.
- If there is still no reply, the discount is removed from 1 April 2008 and a confirmation letter and new bill are sent to the customer.
- Where the customer has responded stating they are no longer entitled to the discount the discount is removed from the effective date provided by the customer.
- At the end of the mailout process, further checks are carried out with support from external agencies to datamatch the occupancy records and activity details for households who are claiming discounts and receiving benefits and those who have recently signed a declaration to state that they are still entitled to the discount.
- If it is then established that there are fraudulent claims more formal action, including prosecution will be considered on an individual basis.

### **7.1 Results of the review in the three pilot wards (as at 30 April 2009)**

The first letter was issued to 5,411 households:

1,446 in the Ancoats and Clayton ward, of which 929 were returned (64%).  
2,480 in the City Centre ward, of which 1,640 were returned (66%).  
1,485 in Whalley Range ward, of which 972 were returned (65%).

Reminders were issued to 1,870 households:

517 in the Ancoats and Clayton ward, of which 348 were returned (67%).  
840 in the City Centre ward, of which 594 were returned (70%).  
513 in Whalley Range ward, of which 385 were returned (75%).

In total, 350 people (6%) informed the Council that they were no longer entitled to the single person discount from various dates. This will mean an increase in Council Tax income of around £80,000 per annum.

A further 503 households did not respond to either letter and had their discount cancelled back to 1 April 2008. A letter was sent out with the amended bills explaining why this happened. To date 100 of these have contacted the Council to say that they are still entitled to the discount and have had it reinstated back to 1

April 2008. If this figure remains the same, Council Tax revenue will increase by around £100,000 per annum.

## **7.2 Results of the review in the remaining wards (as at 30 April 2009)**

The review has now started in the remaining wards.

36,763 initial letters have been issued and 28,507 have been returned (77%).

To date, 2,287 forms (6%) have been returned declaring that they are no longer entitled to the discount. This will mean an increase in Council Tax revenue of around £550,000. Reminders have now been issued to 8,256 households and those who do not return their forms will have their discount cancelled back to 1 April 2008 at the end of May.

If the figures from the trial are extrapolated as an estimate at this stage of the review process, annual Council Tax revenue will increase by a further (8.3% x 39,000 x 250 = £809,250) due to the discount being removed because forms have not been returned.

## **8. Key issues affecting the Unit**

### **8.1 The restructure and development of a new call centre**

The restructure of the Unit went ahead in 2008. At the same time job evaluation of all roles in the Unit took place. This process is now in its final stages with start dates of June planned for the remaining Council Tax and Call Centre Officers. In addition, the work of the Benefits Service was also reviewed with generic working introduced across the range of benefits processing (this meant retraining all current Benefits Officers) and moving the Visiting Officers so they were linked to processing teams.

The development and training functions have also been strengthened with a generic approach to training, development issues, quality and complaints management.

There has also been a refurbishment of the fifth floor of Alexandra House and this is now set up as a 50 seat call centre. This will be fully operational later in the summer when the new staff have been trained and are working on the team.

The final phase will be to move the Business Rates Team from the town hall to join the rest of the processing functions in Alexandra House.

### **8.2 Self Service and electronic access**

#### **8.2.1 Online Claim**

The online claim, which has been in use for over 18 months, is continually increasing in popularity as a preferred way of claiming benefit. Over 350 new claims each month are now submitted from claimants, Registered Social Landlords (RSLs) and private landlords. The online system is speeding up the time taken to process a claim and reducing the number refused through claims being incomplete.

Around 20% of new claims are now made online. Out of the successful claims around 40% are processed within 15 days. Online claims are also fed directly into the processing claim to set up an outline of the claim details, which also speeds up assessment time. This way of assessment is currently being piloted on certain teams dealing with claims from RSLs who are also involved in a One Step Claim process.

The online claiming facility is an addition to the existing benefit calculator. Customers can do a calculation to see how much benefit they will get, then complete a claim for benefit online or download a shortened claim form if they are changing address. The website also gives the user the option to download a 'Change of Address' claim form for either a private or Manchester Housing property if they are just moving house.

The Benefits Service continues to work with RSLs. This involves training their staff to use the online system and to validate documents to ensure that customers' claims arrive complete with all evidence required to speed up claim processing and accuracy. The aim of the One Step process is to work more closely with RSLs who can claim online, validate documents and scan the information with a view to even faster processing.

#### 8.2.2 The Account and Claim Tracker

This online product allows residents and businesses in Manchester to check their benefits claim details or their Council Tax account. The system is available for benefit claimants and Council Tax and Business Rates chargepayers across Manchester. Landlords and Registered Social Landlords can also access certain details where they receive direct payments for their tenants. RSLs are finding it particularly useful to balance and manage rent accounts. Over 3,000 users are now registered on the system.

In addition to promoting through staff (including the Customer Counter), Council website, stakeholder meetings and RSLs during online claim training, the Account and Claim Tracker is advertised in various newsletters and on all benefit award letters and Council Tax bills.

### 8.3 Changes to legislation

#### 8.3.1 Business Rates- deferral of increase

The government has recently announced that it intends to bring forward changes to the Local Government Finance Act (1988) to give businesses the opportunity to defer payment of 60% of the increase in their 2009/10 Business Rates bills until 2010/11 and 2011/12. As requested by government, the Council has now sent information to all businesses advising them of this change. As part of this we have also taken the opportunity once again to advertise the Small Business Rates Relief Scheme.

#### 8.3.2 Housing- reduction in rent increases

The government recently announced that the rent increases for local authority housing stock could be reduced by the provision of additional government financial

support. The Council is going to implement this change and are currently waiting for further information. This change will mean that benefits will need to be updated to take into account the reduced rent for the remaining 12,500 Manchester Housing tenants.

### 8.3.3 Benefits- Local Housing Allowance restrictions to five bedroom rate

From April 2009 the rules for Local Housing Allowance for larger households (six, seven and eight bedrooms) have changed and any payments have been restricted to the rate paid for households living in a five bedroom property in the rental area.

The property areas are determined by the Rent Service and the majority of the properties within Manchester are classed as Central Greater Manchester. Small parts of East Didsbury and Levenshulme and most of Wythenshawe are classed as Southern Greater Manchester.

The change is effective immediately for new claimants, with a set review date and a short transitional arrangement for existing claimants. Within Manchester there are approximately 20 affected households and we have written to all these customers explaining the significant impact to their benefit entitlement.

|              | <b>Central Greater Manchester</b> |                | <b>Southern Greater Manchester</b> |                |
|--------------|-----------------------------------|----------------|------------------------------------|----------------|
|              | <b>Weekly</b>                     | <b>Monthly</b> | <b>Weekly</b>                      | <b>Monthly</b> |
| <b>5 bed</b> | £196.15                           | £849.98        | £298.85                            | £1295.02       |
| <b>6 bed</b> | £300.00                           | £1,300.00      | £300.00                            | £1,300.00      |
| <b>7 bed</b> | £323.08                           | £1,400.01      | £323.08                            | £1,400.01      |
| <b>8 bed</b> | £415.38                           | £1,799.98      | £415.38                            | £1,799.98      |

(LHA rates are reviewed each month so we may be using different LHA rates depending on when the claim was made)

### 8.3.4 Benefits - Child Benefit disregard

From October 2009, Child Benefit income will be disregarded when assessing entitlement to Housing Benefit and Council Tax Benefit. This change will have a positive financial impact on any family that has a current claim for benefit but does not receive either full Housing or Council Tax Benefit. Initial estimates based on current caseload advise that this is going to be around 3,000 households.

This change will also mean that some residents (particularly working or larger families) who may not have qualified in the past will now qualify for Housing Benefit and Council Tax Benefit. The Council is now waiting for advice and publicity from central government who have provided initial national estimates that suggest up to 110,000 families would benefit from increased or new Housing Benefit entitlement and 210,000 households would benefit from new or increased Council Tax Benefit entitlement.

To ensure that residents claim their entitlements the Council will be carrying out awareness and take up activity linking in to any central government initiatives.

### 8.3.5 Benefits - Increased capital disregards for pensioners

From November 2009, the capital disregard for pensioners will be increased from the current level of £6,000 to the new level of £10,000. This is a welcome announcement and should result in increased benefit amounts for some current claimants, and also attract new claims for benefit. Existing claims will be updated and new award letters and associated bills sent to all affected customers. In addition, claim forms, leaflets and the website will be all be updated and further targeted take up activity will take place nearer to the time of the change.

#### **8.4 Ward based working pilot- Partnership Innovation Fund**

The Unit has been successful in a bid for funding to pilot a new approach in four wards across the city. This money is from the Partnership Innovation Fund that is part of the Working Neighbourhoods funding. This will involve four project workers linked to wards in the city where Council Tax collection has been challenging. The wards are Harpurhey, Cheetham, Moss Side and Gorton South.

The pilot will be for an initial 12 month period and the impact of this more proactive and ward based working will be measured across several target areas, including:

- Improve the collection of Council Tax, both in year collection and arrears owed.
- Reduce the number of summons issued by ensuring that payment plans are adhered to and there is a holistic approach to Council Tax debt.
- Reduce the level of additional costs paid by residents by avoiding recovery action.
- Increase engagement with residents and improve links with the Council.
- Provide debt recovery advice and signpost residents to appropriate agencies.
- Improve local and ward based working.
- Improve the financial management and long-term financial stability of residents.
- Reduce the amount due by residents by ensuring that all benefits, discounts and exemptions are awarded where entitlement exists.
- Improve accuracy of the Council Tax records.
- Reduce overheads and resources needed to chase debt within the Council.

#### **8.5 Performance Development Team (Benefits)**

The Performance Development Team are part of the Department for Work and Pensions and can provide specialist support in relation to improving benefits processing and administration. The Council has requested support from this team, particularly to look at claims processing and how the process can be improved. The PDT has accepted our request and has set out the scope for the work with the Council. The PDT lead officer begins the on site stage working with a small staff working group from 12 May 2009. This process will take several weeks and is expected to result in an action plan with some changes to existing business processes.

### **9. Targets for the Year ahead**

#### **9.1 Headline Performance Targets**

The targets that have been set are challenging and require further incremental improvement in all areas of the service.

For Benefits processing, the 2008/9 targets have been maintained, as they were not achieved across all areas.

For Council Tax, the in-year collection target has been increased by a further 1%. This is considered to be challenging in the current economic climate. If achieved this would result in an improvement of 3.8% in three years, from 87.3% to 91.1%.

For Business Rates, a target has been set to recover the performance by 1% in the year ahead. In the current economic climate this is ambitious and may need to be reviewed during the year ahead.

|   |         |
|---|---------|
| <b>Benefits</b>   |         |
| Average days to process new claims                                      | 25 days |
| Average days to process changes of circumstances                        | 12 days |
| New claims processed in 14 days   | 94%     |
| Accuracy of processing  | 99%     |
| <b>Council Tax collection</b>   |         |
| % of Council Tax collected in year                                      | 91.1%   |
| Amount of 2009/10 Council Tax collected in the year (excludes benefits) | £112.2M |
| Amount of cash collected from historic debts (exc. costs)               | £7.M    |
| <b>Business Rates</b>   |         |
| % of Business Rates collected in year                                   | 97.7%   |

## 10. Conclusions

A further 1% increase in Council Tax in the last financial year is a positive result in the current financial climate.

The work within the year to set up the structure for the future service requirements, particularly to improve customer service and access by the telephone has been successful and there is further work in the year ahead to consolidate this.

The Unit will work closely with central government and stakeholders to achieve improvements and efficiencies and to ensure that Manchester residents all receive the benefits and discounts to which they are entitled.

Benefits processing times, particularly for new claims are still not at the levels required and there will be further work throughout 2009/10 to clear any backlogs as a result of the recent system downtime and then further work to improve speed of processing times whilst maintaining accuracy levels.

Richard Paver  
City Treasurer