
**Manchester City Council
Report for Information**

Report To: Resources and Governance Overview and Scrutiny
Committee - 24 June 2010

Subject: Annual update on performance in the Revenues and Benefits
Unit

Report of: City Treasurer

Summary

This report provides performance data for the 2009/10 financial year for the Council Tax, Benefits and Business Rates Service areas. It also details current key issues affecting the service areas and outlines plans for the new financial year.

The report also provides specific information requested by members including:

- The Council Tax recovery process;
- Follow up information on the Council's work with bailiffs; and
- Information on complaints performance and resolution.

Recommendations

Committee is requested to note the contents of the report and the steps being taken to increase the collection of Council Tax and Business Rates and to 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 2009/10 financial year there was a pilot scheme in four wards of the city as a result of a successful bid for Working Neighbourhoods funding. This pilot linked project workers to wards in the city where Council Tax collection has been challenging. The wards are Harpurhey, Cheetham, Moss Side and Gorton South.

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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 2009/10
- Benefits quarterly reports 2009/10
- Council Tax Debt Recovery Policy

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.

This also provides an update on developments or key issues affecting the service, including the review of single person discounts for Council Tax and the headline targets and objectives for the year ahead.

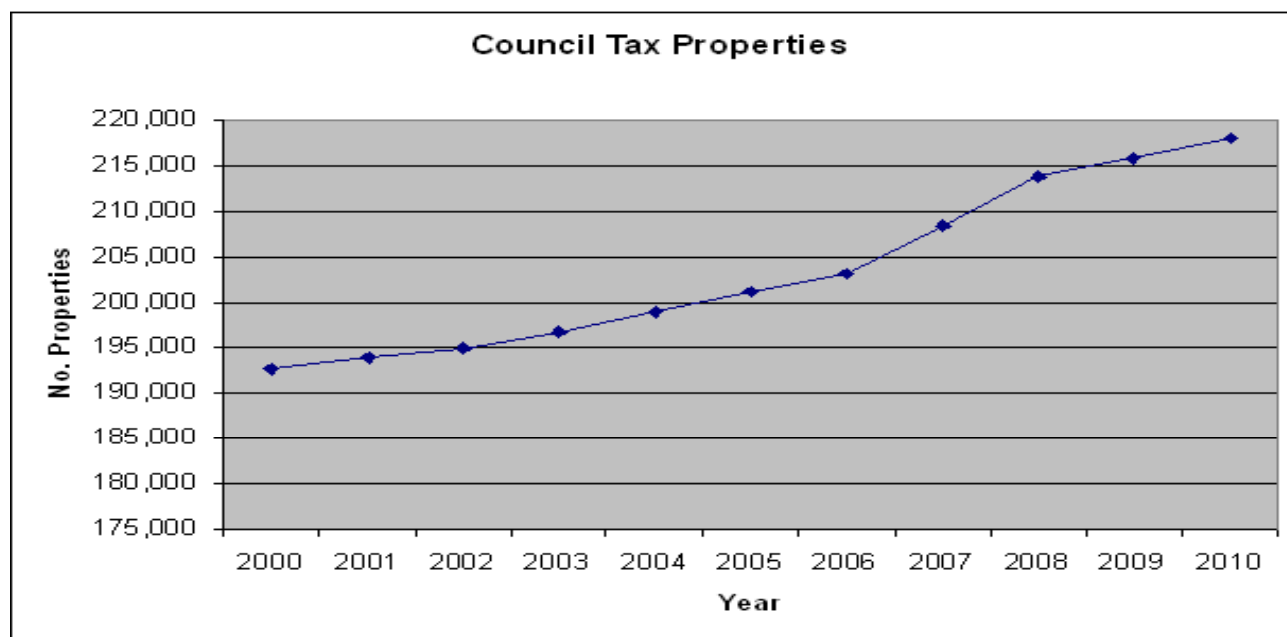
Finally the report also provides specific information requested from members, including further information about managing the work of bailiffs, details of the Council Tax recovery process and the recovery methods available to the Council and information about complaints performance and resolution.

2. Background

2.1 Council Tax

The Council has just under 218,000 domestic properties that are liable for Council Tax. After various discounts, exemptions and Council Tax Benefit, the amount due to be collected within 2009/10 was £121.97M.

The number of properties within the city has been increasing annually and has increased from 192,500 in 2000 to 218,000 this year. Although showing some slow down in 2008 and 2009 this is still a significant increase and represents growth of 13.25%.



Of the 218,000 properties, approximately 71,000 (32.6%) households at any one time receive some Council Tax Benefit towards their bill, of which approximately 55,000 (25.2%) 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 and Council Tax Benefit

At the end of March 2010 the Council was paying out benefit to 74,192 households.

- 13,087 council tenants including Northwards and PFI;
- 10,484 Council Tax Benefit only, primarily owner-occupiers plus 328 Second Adult Rebate cases;
- 36,437 registered social landlord; and
- 13,856 private tenants.

This profile has been changing over recent years as properties have moved from Manchester Housing stock to other arrangements. These changes have made 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 22,535 business properties in the city (an increase of about 6.3% since 2002/3). During the same period the total Rateable Value of business properties in the city has increased by almost 33% to £820.6M. There have been revaluations on 1 April 2005 and 1 April 2010.

The total contribution to the national business rates pool by the Council during 2009/10 was approximately £267M.

3. Issues affecting performance during the 2009/10 financial year

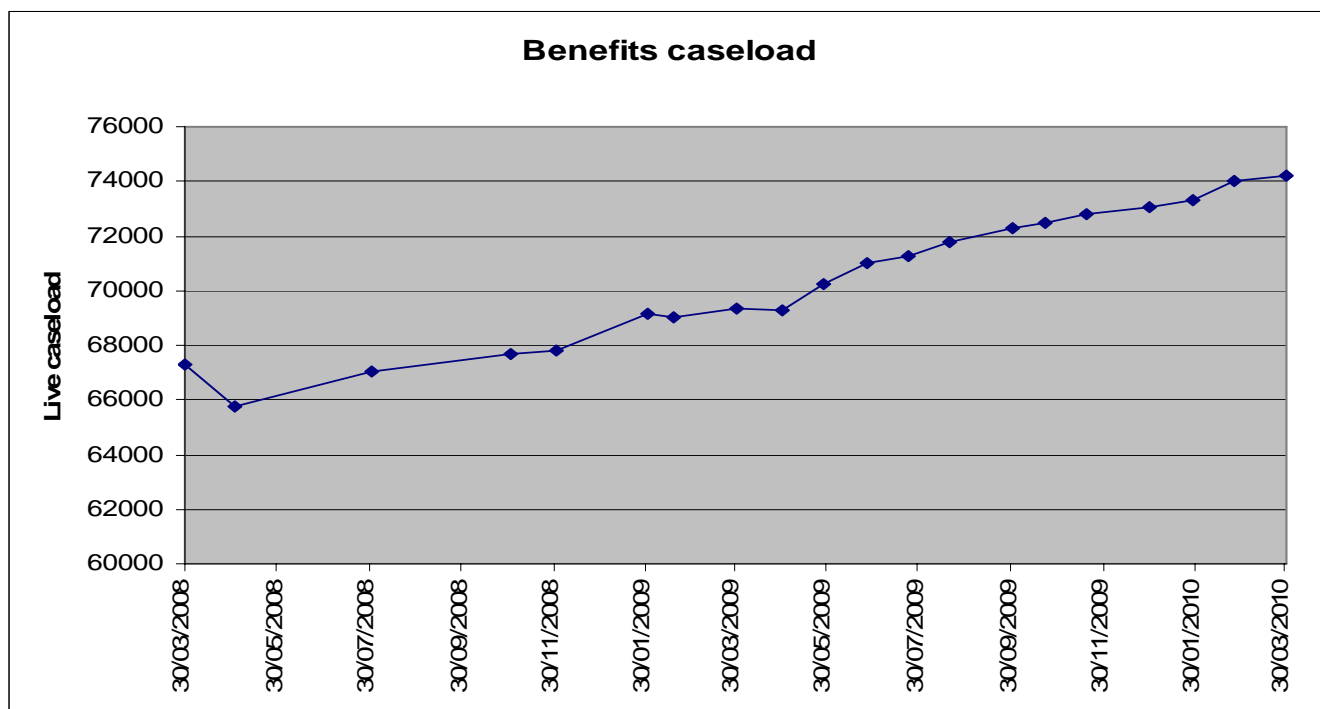
3.1 Economic Downturn

The economic downturn has had a substantial impact on all areas of the Unit in different ways for the past two financial years (2008/9 and 2009/10).

3.1.1 The Benefits Service

The Benefits Service has seen an increase in customer enquiries about entitlement and an increase in new claims, particularly from the private rented sector. The benefits caseload has increased from 67,277 in March 2008, to 69,322 in March 2009 and most recently to 74,192 at the end of March 2010. This increase of 10.3% is substantial and excludes the additional impact of entitlement enquiries and unsuccessful claims.

Government have provided additional grant income in both 2009/10 and 2010/11 to assist the Council with the ongoing increase in benefits processing and caseload as a result of the economic downturn. The Council received £917,395 in 2009/10 and a further £346,832 for 2010/11. It should be noted that the additional income for 2010/11 is virtually wiped out by a reduction of £323,107 in the basic administration grant.



Across the Association of Greater Manchester Authorities (AGMA), caseload statistics have been monitored and reported. Please see attached table at Appendix One.

This table shows that although Manchester has seen a significant increase in the number of people claiming benefits, and excluding Blackpool still has the highest percentage of claimants when compared to the number of Council Tax properties, there are other parts of AGMA where the impact has been higher and they have seen a higher percentage increase in claims as a result of the downturn. The difference in Manchester when compared to other parts of AGMA is that even within the economic downturn there has still been an ongoing increase in the number of properties in the city.

The position within Manchester is further complicated by the number of all student households and other exempt properties. If these are excluded from the number of properties, the percentage of households in receipt of some Council Tax Benefit rises to 35.7%, of which 27.6% get full CTB.

3.1.2 The Council Tax Service

Council Tax collection is extremely challenging in the current financial climate. Although there has been a significant increase in the amount of Council Tax Benefit awarded (which means that there is less Council Tax to collect by way of payments from residents), the calculation of the main Council Tax performance indicator (the percentage of Council Tax that was collected in the year it was charged), excludes the amount of Council Tax Benefit awarded.

In addition there remains a high level of transience due to repeated changes to individual household financial circumstances (people moving in and out of work and a move to part time working). This results in entitlement to Council Tax Benefit continually changing and therefore frequent changes to the amounts of Council Tax residents have to pay.

3.1.3 Business Rates

Business Rates in year collection levels have been affected over the past two years by a combination of both the economic downturn and the change to legislation to collect Business Rates from empty properties.

4. Performance in the collection of Council Tax

4.1 Current year performance

The Council Tax collection figures for 2009/10 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 2009/10 collected between 1 April 2009 and 31 March 2010.

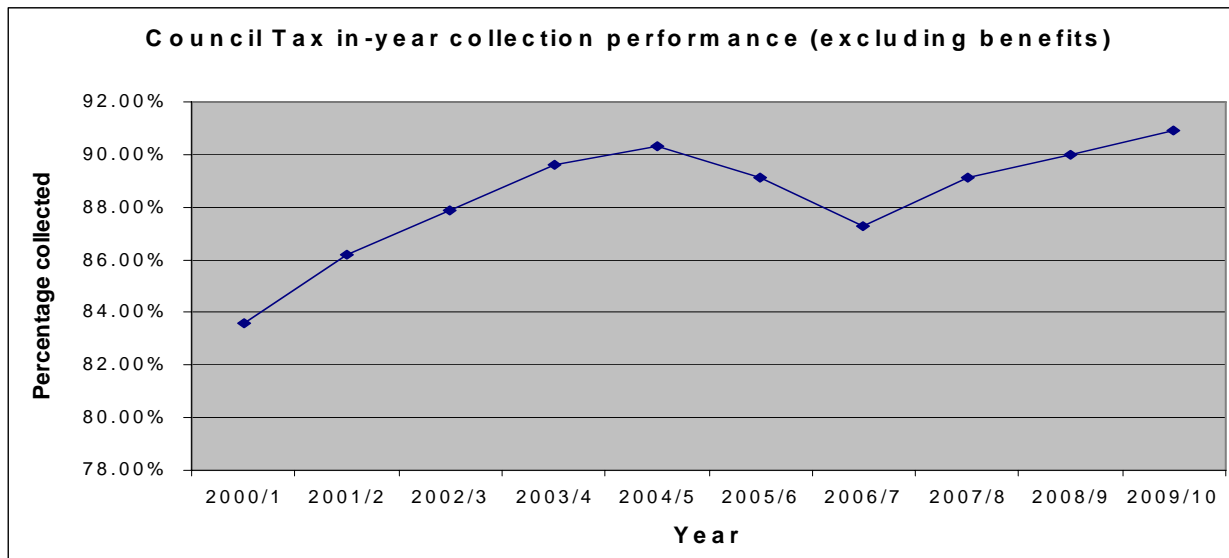
The Council collected 90.9% of the amount due for the year and this represents an increase of .9% on 2008/9, when 90% was collected. In overall financial terms this represents an increase of in-year cash collection of £3.2M compared with the previous year. This is made up of the increase in the Council Tax due and the improvement in performance. The following tables and graph track the in year collection performance.

Total in-year revenue from Council Tax was £154.7M. This is £7.7M higher than revenue for 2008/9, made up of the £3.2M mentioned above and an increase in income from Council Tax Benefit of £4.5M over the year. Although still not at the level required, this result is positive in the current financial climate. This result is also the Council's best ever result against the in year collection target and incremental increases for the past three years have now been reported.

Council Tax in year collection performance (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	2009/10
83.6%	86.2%	87.9%	89.6%	90.3%	89.1%	87.3%	89.1%	90%	90.9%
	+2.6%	+1.7%	+1.7%	+0.7%	-1.2%	-1.8%	+1.8%	+0.9%	+0.9%

If we include Council Tax Benefit into the calculation, the in-year collection shows a further improved situation.

Council Tax in year collection performance (including Council Tax Benefit as part of the calculation)									
2000/1	2001/2	2002/3	2003/4	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10
88.9%	90.5%	91.6%	92.7%	93.12%	90.74%	90.7%	91.8%	92.59%	93.38%
	+1.6%	+1.1%	+1.1%	+0.42%	-2.38%	-0.04%	+1.1%	+0.79%	+0.79%



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				
	2006/7	2007/8	2008/9	2009/10
Exc. costs	£5.58M	£6.02M	£4.69M	£5.31M

4.2 The Council Tax recovery process

The Council Tax recovery processes are set out in the 1990 Local Government Finance Act (LGFA). Attached as Appendix 2 is a flow chart outlining the process from bill to committal for the recovery of Council Tax.

The LGFA covers the administration, billing and recovery of Council Tax and sets out clear processes for Councils to follow, specifically covering the process up to when a Liability Order is granted. A Liability Order gives the Council the power to obtain information about the debtor's financial circumstances to assess the best course of recovery.

Recovery methods can then include:

- Attachment of earnings or allowances;
- Attachment to certain benefits (Income Support, Jobseekers allowance, Employment Support Allowance (ESA) and Pension Credit);
- Distress (the use of bailiffs);
- Charging Orders; and
- Bankruptcy

The Council is able to decide which recovery method it chooses to use and may use it more than once, but it can not use more than one recovery method at one time for one Liability Order. In reality this means that where income details and personal circumstances are known, the Council will look to secure the recovery method that is likely to be most successful.

If the Council is still unable to secure payment it can take cases to committal stage. It is at this stage that the magistrate can decide to imprison a debtor for non payment. The Council can only apply for a warrant if:

- The debtor is 18, or over; and
- The Council has sought to levy distress (the account has been to the bailiff and they have tried to recover the debt); and
- The bailiff has reported to the Council that they were unable to find any, or sufficient goods, to clear the money owed.

At committal stage the court will undertake a means enquiry and can adjourn to agree a further payment plan. A warrant to commit to prison is only issued if the magistrate is satisfied that failure to pay is due to the debtor's:

- Wilful refusal; or
- Culpable neglect (blameworthy), and
- The debtor has the means on the day to pay the debt.

The magistrate also has the power to remit (write off) part, or all of the debt covered by the warrant application. To do this they should find that the failure to pay is not 'blameworthy' and the debtor is unable to pay. Liability remains for subsequent years not covered by the warrant application.

4.3 Barriers to recovery

The range of available recovery methods available to the Council do not fit all circumstances and there are some specific issues and circumstances that make collection challenging.

4.3.1 Fail to engage or respond

When a Liability Order has been granted, the Council contacts the debtor to advise that the order was granted and to request that they provide their financial details as covered by legislation. Although this is a legal requirement, only 20% of debtors either contact the Council to discuss their account and make a payment plan or return the financial circumstances. For the remainder where data is not held by either

a benefit claim or historic information held on file (for example employer details), the only option is to pass the accounts to the bailiff for recovery.

4.3.2 Attachment of earnings

An attachment of earnings is an effective recovery method if employer details are known. Unfortunately in many cases this information is not provided and employer details are not held on any central database and the Council does not have access to tax records.

Within Manchester there are also many households, particularly those with larger families, who have a fairly low earned income (usually either part time or self employed) topped up by substantial tax credit awards. In some cases this then means that they have an amount of Council Tax to pay. If this amount is not paid there is limited action that can be taken if the person fails to engage.

Any attachment amount is set by government guidelines and in many cases we are unable to attach to earnings or the amount taken would not even clear the ongoing liability so the debt continues to increase. The law does not allow an attachment to Tax Credits. Appendix three provides details of attachments of earnings levels.

4.3.3 Attachment of benefits

The Council can only deduct from Income Support, Jobseekers allowance, Employment Support Allowance (ESA) and Pension Credit at a set rate of £3.25 per week. The rules do not allow for deductions from Tax Credits or Incapacity Benefit.

4.3.4 Bailiff activity

The bailiff has reported that they have real problems making arrangements and securing payments from Manchester residents compared with other Greater Manchester Councils. They report a more successful collection rate in the surrounding areas.

4.3.5 Collection from new developments/investment properties

The highest level of Council Tax arrears across all wards in the city is the city centre ward. Within the city centre there are high numbers of properties that are empty and have been bought as investments by owners who live outside the city and others that have been let by private landlords with no occupier details passed on to the Council and no payments made. It is difficult to establish occupation details and then to collect any Council Tax due. The layout and security arrangements, in that many of the properties are in blocks with restricted access, makes contact by Council officers and bailiffs difficult and as a result collection is low.

Within 2010/11 the Council is going to focus on some of these properties and consider bankruptcy and charging orders where appropriate.

5.4 Single Person Discount review

During 2009/10 the Council Tax Service completed a review of all householders claiming a single person discount. They were all sent a letter with a form asking them to confirm that they still lived on their own or to tell us when their circumstances changed and return it to us in a prepaid envelope. Those that didn't respond were sent a reminder, also with a prepaid envelope. Those that did not return either letter had their discount cancelled back to 1 April 2008.

In all, around 5,800 discounts were cancelled and additional revenue of around £1 million was collected.

5.41 2010/11 activity

The Council is now in the process of a further single person discount review for 2010/11 as part of the National Fraud Initiative. This involves data-matching Council Tax records against the electoral register in accordance with Audit Commission best practice and data protection protocols. The Council has split this work into two batches with the households without benefit dealt with as part of a further postal review. The second batch contains benefit claimants and this has been passed to the Council's Fraud Investigations Group to investigate.

5.5 Ward based working pilot- Partnership Innovation Fund

The Council Tax Service made a successful bid to the Partnership Innovation Fund for £150,000 to fund five staff to work in specified wards making contact with customers who had consistently failed to pay their Council Tax. They were given a holistic brief to help those customers resolve the problems that had led to their non payment through direct advice and signposting to other specialist agencies. By removing the barriers to payment and give customers a sustainable repayment plan the aim was to increase Council Tax revenue.

This targeted approach allowed the five staff to go through accounts in detail and persist in trying to engage with customers even when initial contacts were rebuffed. Early indications are that they have had some success using this approach and have achieved payments and reduced liabilities of over £400,000. However, it is impossible to tell how much of this money would have been collected anyway as not all of the people who made payments were part of the initial target group. As well as the list of high arrears/non engaging/non paying customers that we identified internally, they got a fair number of referrals both from advice agencies in their wards as well as the call centre.

A full review of the project is planned for July 2010 to take what learning is available from this approach and how it can be adapted for mainstream working.

6 Working with bailiffs to collect Council Tax – Follow up from meeting of 4 March 2010

Following the committee meeting on 4 March 2010, officers from across the service areas using bailiffs, have met to take forward the recommendations made. The purpose of the meetings has been to take forward action points and members'

recommendations and also to improve consistency of approach and to share best practice.

6.1 Recommendations from 4 March 2010 meeting

The recommendations from the committee were to develop the Council's knowledge base about people who were subject to bailiff action and to assess their experience and impact of bailiff activity.

As a result the following activity is planned or has taken place.

- (i) A targeted sampling exercise of 200 people who were subject to bailiff activity is planned to take place by the end of August. The survey would use both telephone and face to face interviews. This sample would be selected with support from Trading Standards to select areas where there is known loan shark activity to see if there are any connections or issues. The survey will assess the following:
 - Any vulnerability issues;
 - The reasons why the customer failed to engage at an earlier stage in the process and how this could be improved in the future: and
 - An assessment of the experience of being visited by the bailiff, if the bailiff followed the bailiff code of practice and any learning from this.
- (ii) Following the results of the targeted survey. There will also be an ongoing smaller, quarterly sample of people subject to bailiff activity so that intelligence can be developed and any proactive action taken to be able to improve engagement with customers and where possible secure payments that prevent debts being passed to the bailiff for collection. This information will also be used at the quarterly meetings with the bailiffs to challenge and improve any performance issues.

6.2 Other actions

6.2.1 Joint liaison

Services have now merged the liaison arrangements with the bailiff companies to ensure a consistent approach when dealing with any Council debt. This will include complaints management, contract management and performance issues.

6.2.2 Bailiff Code of Practice

All parts of the Council using bailiff companies now use a similar Code of Practice document that all bailiff companies used by the Council sign up to.

6.2.3 Vulnerable customers

Officers have reviewed the list of vulnerable customers within the bailiff code of practice and have reissued this to the bailiff companies. This is an extract from the Code of Practice document.

The bailiff should at all times use his professional judgement to refer back to the Council if he considers that, due to the personal circumstances of the debtor, it would be inappropriate to proceed to levy distress. In particular, where the debtor:

1. *Appears to be severely mentally impaired or suffering severe mental confusion.*
2. *Has young children and severe social deprivation is evident.*
3. *Is disputing liability or claims to have paid, applied for a rebate, discount or any other relief not yet granted. Under these circumstances the bailiff should levy distress and then report to the Council.*
4. *Is heavily pregnant and there are no other adults available in the household.*
5. *Is in mourning due to recent bereavement (within one month).*
6. *Is having difficulty communicating due to profound deafness, blindness or language difficulties. In these cases the Council would make arrangements for the appropriate support in terms of a signer or translation services etc.*
7. *Is currently unemployed and provides proof that they are in receipt of Income Support or Job Seekers Allowance (Income Based), payments from the Department for Works and Pension (DWP) and details are obtained of the debtor's National Insurance number.*
8. *Has severe long term sickness or illness including the terminally ill.*

Please note: Points 2, 4 and 7 do not apply to Business Rates.

6.2.4 Account checks

The Council Tax Service has introduced officer checks to accounts that are due to be issued to the bailiff even if the customer has failed to respond to our letters. The aim is to avoid sending accounts to the bailiff where there is an alternative recovery process available. This will include checking whether an attachment of earnings or benefits is possible based on the current status of the customer.

6.2.5 Complaints

Complaints about the bailiff are covered within the Code of Practice and follow the Council's three step process. It is clear that the bailiffs are the Council's agent and as such any complaints are ultimately the Council's responsibility. Complaints are all now recorded on the Council's recording system and will be considered as part of the quarterly complaint monitoring.

7. Performance in Benefit administration

7.1 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 New Claims	New claims in 14 days	Changes of circumstances	Accuracy of processing
Target	25 days	96%	12 days	99%

Annual outturn				
2009/10	30.5 days	87.6%	12.7 days	98.2%
2008/9	35 days	83.8%	13.5 days	98.8%
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%

Although not reaching the target of 25 days for new claims, the outturn does show an improvement on 2008/9. In addition, the following table shows the improvements that have been made through the financial year. This followed a period of major disruption and associated recovery caused by the Council's system problems (conficker virus) in the final quarter of 2008/9 and the first quarter of 2009/10. This improvement has been achieved within existing resources whilst coping with the increased workload due to the economic downturn.

2009/10	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Processing New Claims	38.6 days	30.1 days	25.8 days	26.3 days
New claims in 14 days	79.6%	89.3%	92.3%	90.1%
Changes of circumstances	20.8 days	12.7 days	12.8 days	8.8 days

7.2 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 297 sanctions in the 2009/10 financial year. The breakdown is as follows:

- 174 Cautions;
- 74 Administrative Penalties; and
- 49 Convictions.

The activity of the Fraud Investigations Group resulted in overpayments of over £1.03 M being identified and raised for recovery, and an additional £27,484 from the 74 administrative penalties. In total, some 321 benefit claims were either ended or the amount of benefit payable was reduced.

7.3 Benefit Take Up

7.3.1 Take Up activity

The 2010/11 annual benefit take up plan has been produced. This includes a programme of publicity and intelligence based take up work, where necessary working with partners to get the best results in the most cost effective way.

Details of how to claim Council Tax Benefit were included in a leaflet sent with all 2010/11 Council Tax bills.

During 2009/10, the Unit attended several events throughout the year promoting take-up. These included:

- Helping Over 50s through the Economic Downturn;
- a joint take-up day with other Greater Manchester authorities at the Trafford Centre;
- a take-up event at Platt Lane Methodist Church; and a
- Valuing Older People event.

7.3.2 Pension Credit exercise

During September 2009, there was some targeted activity with people who were claiming Pension Credit but not Council Tax Benefit. This resulted in 25 successful, new benefit claimants.

- 5 receiving Housing Benefit (HB) and Council Tax Benefit (CTB)
- 20 receiving CTB only.

The average claim for Housing Benefit was £57.88 per week. The amount for the 5 people projected over 12 months is £15,048.

The average claim for Council Tax Benefit was £17.66. The amount for the 20 people projected over 12 months is £18,416.

7.3.3 Work with the Pension Service

There was also partnership work with the Pension Service, identifying customers who were receiving Housing Benefit and Council Tax Benefit but not Pension Credit and their income indicated they should be entitled to Pension Credit.

The Pension Service made a total of 490 visits and the results were extremely positive resulting in the following new claims:

- 240 new Pension Credit claims;
- 43 customers now receiving Disability Living Allowance / Attendance Allowance; and
- 35 people receiving Carer's Allowance.

7.3.4 Child Benefit disregard campaign

From November 2009, Child Benefit is no longer taken into account when working out Housing Benefit and Council Tax Benefit. To support benefit take up, 234 potential claimants were identified who had claimed, but had not been entitled to either Housing or Council Tax Benefit in the three months before the change, but who now may be entitled.

This resulted in 72 new claims being received (31%) of which 43 (60%) were successful with 28 getting Housing Benefit and 35 getting Council Tax Benefit.

Average HB	£24.64	Projected HB	£29,273.90
Average CTB	£3.92	Projected CTB	£5,700.86

There was also a robust publicity campaign around this change, this included sending posters and flyers to schools, Sure Start centres, other council offices and registered social landlords.

7.3.5 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 in 2007 using funding following a successful bid for a central government grant to improve benefits processing. After initial grant funding, the upkeep of the bus is funded by each of the participating councils contributing £3,500 annually.

Manchester has access to the MAC for four weeks in the year and this is used for targeted take up activity.

- 6 to 11 June 2010;
- 16 to 20 August 2010;
- 8 to 12 November 2010; and
- 21 to 25 March 2011.



7.4 Recovery of benefit overpayments

Within the 2009/10 financial year, £4.12M was collected from benefit claimants who had been overpaid Housing Benefit. £1.65M of this was collected at the assessment stage by making deductions from ongoing benefit entitlement.

The Recovery Team collected a further £2.47M, against an annual target of £2.4M. 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.

7.5 Working with partners

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 formal service level agreements with 22 registered social landlords (RSL) who validate documents on behalf of the Benefits Service.

There are also 9 libraries that provide validation services. This is considered to be the current optimum for this service based on libraries' current resources and buildings. Advice surgeries are held at 7 of the libraries and open days are arranged between the operations teams and social landlords

7.5.1 One Step claim process

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

The One Step claim process is now up and running with the following RSLs:

St Vincent's Housing Association	16 February 2009
Manchester Methodist Housing Association	2 March 2009
Northwards Housing	1 February 2010
Guinness Northern Counties Housing Association	8 February 2010

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. RSLs agree to complete all new claims online, validate all the information needed for a complete claim and scan everything to the Benefits Service. The Benefits Service then deal with the claim within a two day agreed time period and if necessary go back to the RSL to chase up and collect any missing information needed to complete the claim.

The new process can be resource intensive and requires all RSL staff to be fully trained by Benefits staff. However, although only at an early stage with some RSLs the impact on customers and on processing times is very positive, with the average time taken to complete a one step new claim on average taking only 9 days compared to the average of 26 days for other RSL claims. In addition customers complete their claim as part of the let process and also receive local service delivery.

The target is to increase the number of RSLs signed up to the One Step claim process during 2010/11, from four to eleven.

7.6 Staff turnover

The profile of labour turnover has been improving year on year for the last three years. The annual figure of 4.3% compares positively to last year when the turnover figure was over 11%. This represents only 20 leavers from our permanent workforce in the twelve-month period. Even within our grade 1-5 posts this has improved and turnover within this group is at 5.3%.

This is an extremely positive result and has a direct impact on costs and overheads in the reduction of recruitment, training and management time. It increases the overall skills, knowledge and experience of the workforce which, in turn, improves customer service.

There is no doubt that the difficult economic situation will have had some impact on workforce transience. However, the Unit has made considerable efforts over the last two to three years to address very high levels of staff turnover among mainstream operational staff and we are pleased that this has been effective. Staff feedback suggests that the new flexible working, grading structure and home working have also had a contributory effect on turnover rates with many staff stating that they have had a positive impact on their work/life balance and have meant that the Unit is a more attractive place to work.

8. Performance in the collection of Business Rates

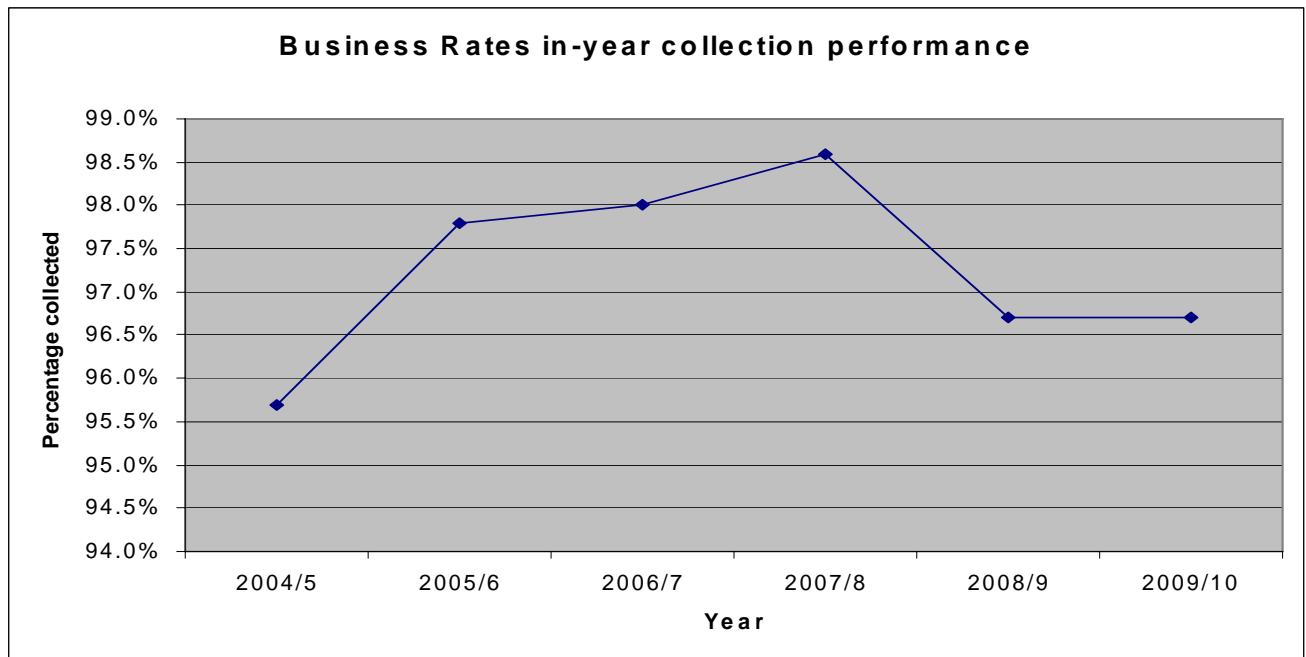
8.1 Annual collection performance

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 2009/10 financial year, 96.7% of the net (collectable) debit was collected. This is the same result as last year's performance. The reduction in collection levels has had a direct link to the start of the economic downturn in 2008. Before this collection levels had increased incrementally with 2007/8 performance being the Council's best ever result for in-year Business Rates collection.

Business Rates in-year collection performance (Debt raised and collected in the financial year)					
2004/5	2005/6	2006/7	2007/8	2008/9	2009/10
95.7%	97.8%	98%	98.6%	96.7%	96.7%

In addition to the economic downturn from April 2008, 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%). Although the collection levels from empty properties cannot be separated out from the main collection target the number of empty properties, at 6,274, has undoubtedly had an impact on collection levels.



8.2 Revaluation

The five yearly revaluation of all 22,500 non domestic properties in the city became effective on 1 April 2010. In the months leading up to the revaluation ratepayers received notice of their new rateable value from the Valuation Office agency (VOA) together with advice on the process including their rights of appeal should they feel the new valuation to be incorrect. The Council also sent an explanatory leaflet to all ratepayers in the city providing guidance on which agency does what, the process leading up to revaluation, appeal rights, where to get advice and small business rate relief. The VOA and the Council's website were updated with details on the process including a link to an on-line rates "estimator".

9. Improvements to the Call Centre

Following the Unit's restructure in 2008/9, resources were transferred from back office processing to increase the numbers of staff to respond to Benefits and Council Tax telephone calls. This increased the number of staff dealing with telephone calls 31 to 60 and also moved both sets of staff to work together under a designated Contact Centre Manager.

The improvements made and the increase in the number of staff have had a major impact on customer service and the number and quality of calls answered.

The performance of the Contact Centre over 2009/10 has seen dramatic improvement.

Benefits (Customers)

In the first quarter 14,478 benefits customers calls were answered while waiting for an average of 3 minutes and 43 seconds to have their call answered. In the fourth quarter 37,840 calls were answered while waiting for an average of 1 minute and 7

seconds to have their call answered. This shows an increase in calls answered of 161% and a 70% reduction in waiting time.

Benefits (Landlords)

In the first quarter 3,701 landlord calls were answered while waiting for an average of 4 minutes and 28 seconds to have their call answered. In the fourth quarter 8,080 calls were answered while waiting for an average of 59 seconds to have their call answered. This shows an increase in calls answered of 118% and a 78% reduction in waiting time.

Council Tax

In the first quarter 30,107 Council Tax calls were answered while waiting for an average of 10 minutes and 9 seconds to have their call answered. In the fourth quarter 46,883 calls were answered while waiting for an average of 1 minute and 20 seconds to have their call answered. This shows an increase in calls answered of 56% and an 87% reduction in waiting time.

In March 2010 we introduced a pilot Benefits online claim support service on the Contact Centre to assist customers to complete their claims accurately and with confidence. Customers are able to make an appointment and Benefits Call Centre Officers will call them at the agreed time. An average of 21 claims per week are completed using this facility and we plan to develop this in the coming months.

10. Complaints administration and enquiries from elected members

10.1 Complaints administration

Due to the nature of the service areas there are an inevitable number of complaints from dissatisfied customers and stakeholders. Within the service there is a robust approach to capturing, logging and dealing with all complaints within the Council's agreed timescales. This follows the Council's three stage process and there are internal review mechanisms and procedures to support this. A full breakdown of complaints is shown as appendix four

Within the 2009/10 financial year we have introduced a findings and actions summary sheet that is used for all complaints. The summary sheet ensures that the customer's complaint has been fully examined and that all points raised have been covered. It also ensures that any remedy and resolution is considered and recorded. The introduction of this form has had a positive impact on the quality of complaints with a reduction in the number of complaints that have progressed to level 2 and 3. A copy of this sheet is attached as appendix five

The unit then uses intelligence and learning from both individual complaints and wider issues including access, training etc as part of a quarterly reporting regime.

Changes that have been made to the service as a result of complaints feedback includes:

- Additional staff on the contact centre.
- Council Tax emails being prioritised and dealt with within 3 days.

- Staff receiving additional training on backdating rules and responsibilities.
- Reminders to Admin staff regarding timescales and responsibilities for return documents.
- Additional guidance to staff for when dealing with vulnerable customers and identifying home visits.

10.2 Complaints via the Ombudsman

Out of the 101 Manchester City Council complaints dealt with by the Ombudsman, thirteen related to either Council Tax or Benefits.

There was one case where maladministration was found and an Injustice Report was issued. This related to the Council's action in relation to a bankruptcy case. As part of the findings there was a report to the Executive in October. The Council's Executive accepted some of the findings but rejected the recommendation to pay the complainant £1,000 compensation.

Full details are as follows

Ombudsman classification	Council Tax	Benefits
No, or insufficient evidence of maladministration	-	2 cases
Maladministration & injustice reports	1 case	-
Local settlements	3 cases	3 cases
Outside jurisdiction	1 case	3 cases

10.3 Enquiries via elected members

The Unit logs and aims to deal with all member enquiries and casework within the 10 day standard with the aim being to respond as quickly as possible. 99% of enquiries were dealt with within the 10 day target with 128 member enquiries relating to Council Tax issues, 115 for Benefits and 1 for Business Rates.

10.4 MP enquiries

The service received 115 enquiries from Members of Parliament, split as follows, 45 Council Tax issues, 67 Benefits issues, two Business Rates and one about the Fraud Investigations Group.

Of the 115 MP enquiries, 6 were from MPs outside Manchester and were sent when the customer lived outside Manchester (two were Business Rates where the business was in Manchester and the ratepayer lived outside the city).

11. Targets for the Year ahead

11.1 Headline Performance Targets

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

For Council Tax, the in-year collection target has been increased by a further .6%. This is considered to be challenging in the current economic climate. If achieved this would result in an improvement of 4.2% in four years, from 87.3% to 91.5%.

Benefits	Target
Average days to process new claims	23 days
Average days to process changes of circumstances	11 days
New claims processed in 14 days	92%
Accuracy of processing	99%
Council Tax collection	
% of Council Tax collected in year	91.5%
Amount of 2009/10 Council Tax collected in the year (excludes benefits)	£120M.
Amount of cash collected from historic debts (inc. costs)	£7.5M
Business Rates	
% of Business Rates collected in year	97%

11.2 The transfer of the Customer Counter and the Call Centre to a corporate model

The Unit has been working closely with staff from the Directorate of Transformation and from 2 June 2010, the Revenues and Benefits counter will be part of the new Customer Service Centre based at One First Street.

Following this there is further work to transfer the service specific Contact Centre to the Corporate Contact Centre which will be based at the Belle Vue Centre.

12. Conclusions

A further .9% increase in the Council Tax collection figure 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, working with the Directorate of Transformation to deliver the new Customer Service Centre and Corporate Contact Centre.

The Unit will work closely with central government and stakeholders to achieve improvements and efficiencies and to ensure that Manchester residents receive the high standards of customer service as well as any benefits and discounts to which they are entitled.

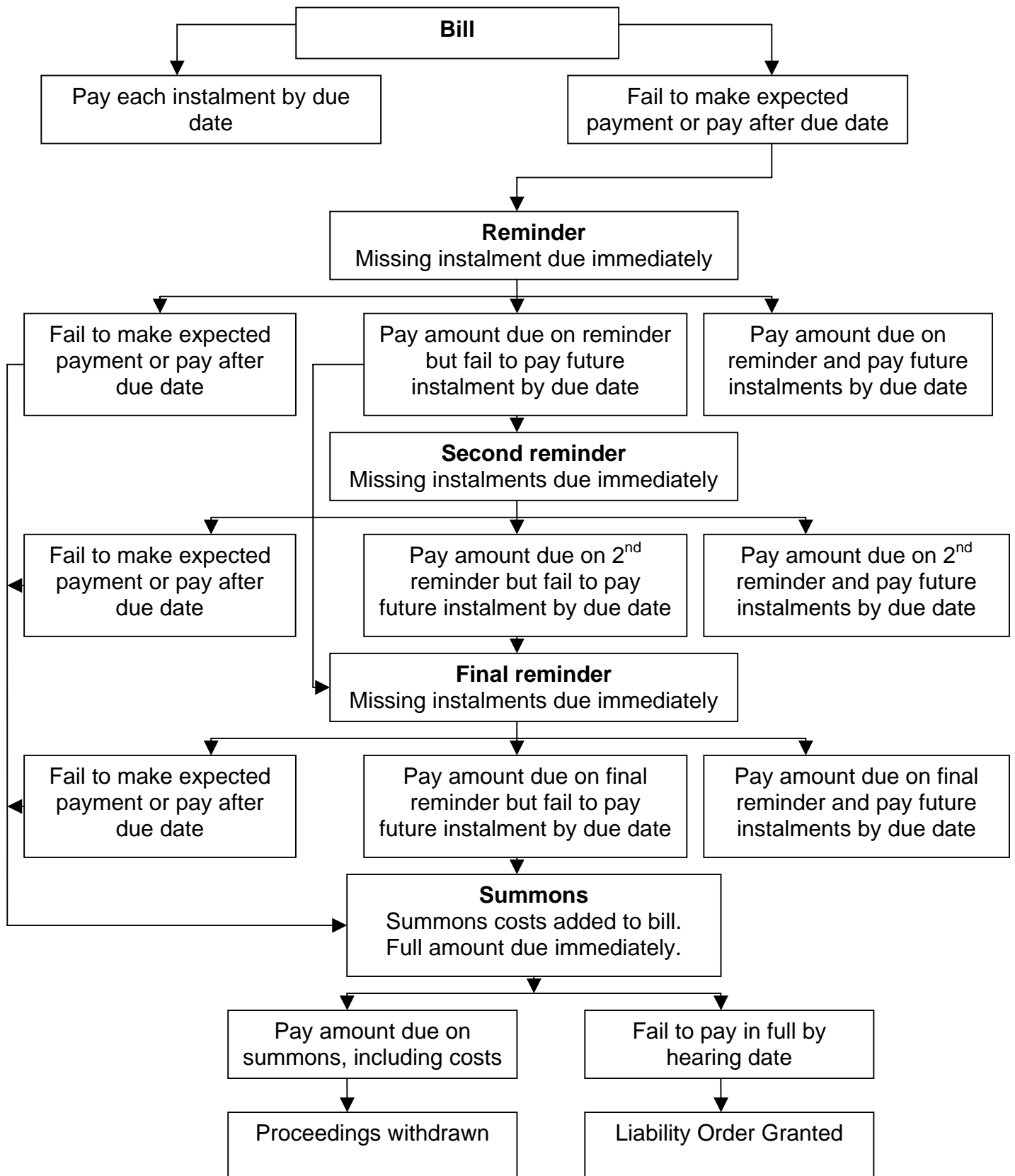
Although showing incremental improvement, performance in the speed of benefits processing is still not at the level required and the Unit will continue to work on this where possible working with partners to achieve improvements in the most cost effective way.

Richard Paver, City Treasurer

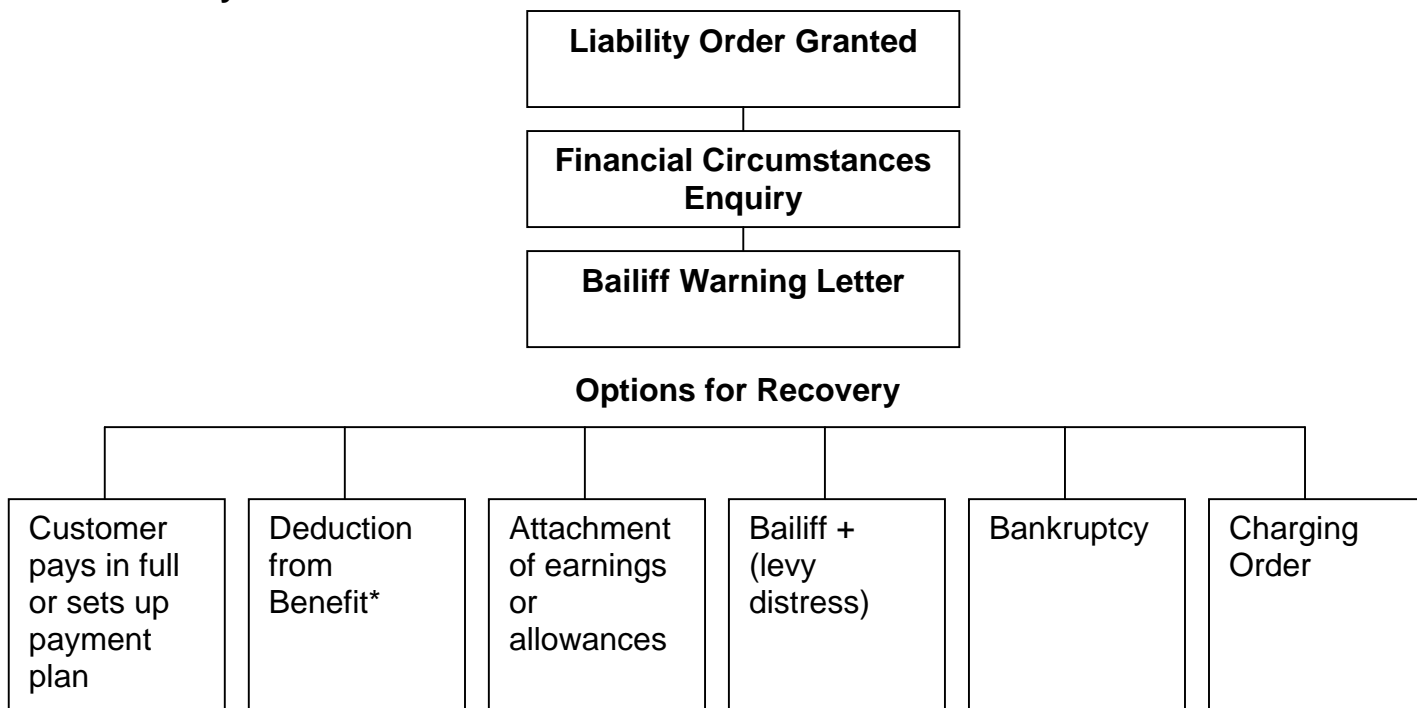
Appendix One- Caseload statistic across Greater Manchester Authorities

Local Authority (Dep ranking in brackets)	Number of households (up to date CTax count)	HB / CTB caseload (Feb 2008)	HB / CTB caseload (April 2009)	HB / CTB caseload (Sept 2009)	HB / CTB caseload (Dec 2009)	HB / CTB caseload (Mar 2010)	% increase in claims from Feb 2008	% of claims to household numbers
Blackburn and Darwen (17)	59,528	17,016	18,013	18,602	18,970	19,037	11.9%	32%
Blackpool (12)	69,962	21,963	24,599	24,901	25,230	25,788	17.4%	36.9%
Bolton (51)	120,921	29,159	31,141	32,511	32,960	33,305	14.2%	27.5%
Bury (122)	81,160	16,351	17,467	18,027	18,129	18,413	12.6%	22.7%
Fylde (251)	36,185	5,162	5,597	5,909	5,948	6,138	18.9%	17%
Halton (21)	54,413	14,588	15,110	15,976	16,151	16,328	11.9%	30%
Manchester (4)	217,921	67,103	69,296	72,275	73,029	74,192	10.6%	34%
Oldham (42)	94,038	24,884	25,501	26,779	27,001	27,285	9.6%	29%
Rochdale (25)	90,352	24,037	26,341	27,319	27,556	28,173	17.2%	31.2%
St Helens (47)	79,318	20,761	21,661	22,057	22,180	22,274	7.3%	28.1%
Salford (15)	108,235	30,098	31,688	32,805	33,085	33,431	11.1%	30.9%
Stockport (161)	125,667	22,902	24,415	25,548	25,912	26,349	15.1%	21%
Tameside (56)	98,882	23,485	25,443	26,412	26,859	27,187	15.8%	27.5%
Trafford (178)	96,489	16,726	17,786	18,401	18,615	19,057	13.9%	19.8%
Warrington (165)	88,095	15,022	16,479	17,214	17,285	17,657	17.5%	20%
Wigan (67)	139,459	30,356	32,685	33,841	34,343	34,582	13.9%	24.8%

Appendix two
Council Tax Recovery Process
Part 1- Bill to Liability Order

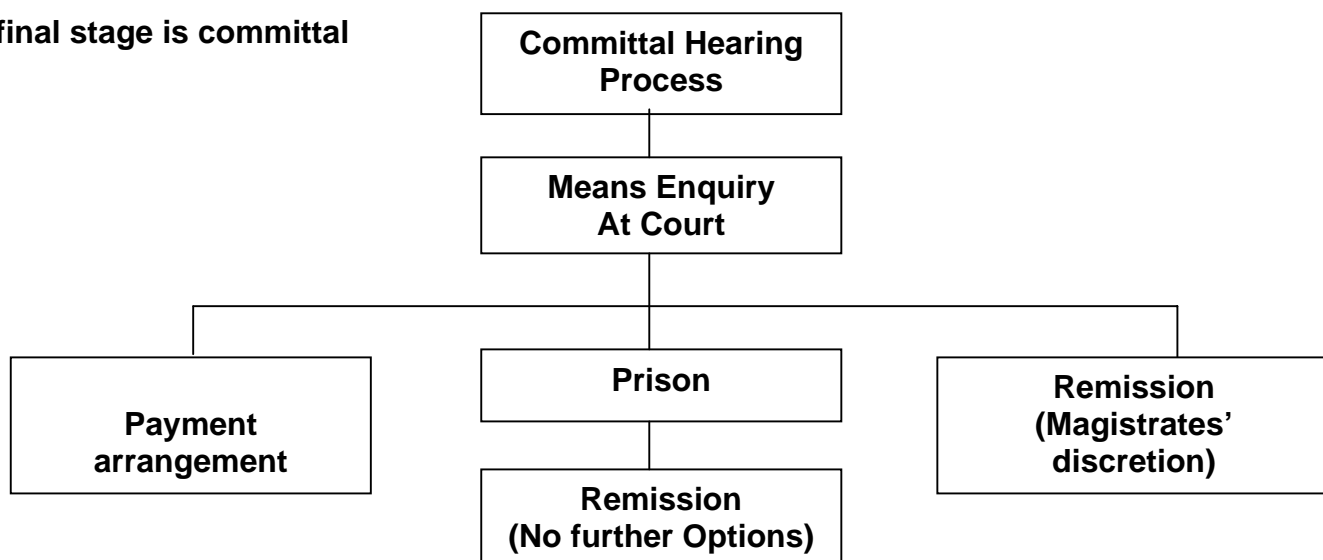


**Council Tax Recovery Process
Part 2 - Liability Order to Committal**



* The Council can only deduct from Income Support, Jobseekers allowance, Employment Support Allowance (ESA) and Pension Credit.

The final stage is committal



+Please note the Council can only apply for a warrant / committal hearing:

- If the debtor is 18 or over; and
- The Council has sought to levy distress; and
- The person attempting to levy has reported to the Council that they were unable (for whatever reason) to find any, or sufficient goods.

Appendix three

Table of deductions from monthly earnings for each order issued after 1 April 2007

Take home (net) wage	Percentage we can deduct	Amount to be deducted
Under £300	0%	Nil
Over £300 but under £550	3%	£9 - £16.47
Over £550 but under £740	5%	£27.50 - £36.95
Over £740 but under £900	7%	£51.80 - £62.93
Over £900 but under £1,420	12%	£108.00 - £170.28
Over £1,420 but under £2,020	17%	£241.40 - £343.23
Over £2,020	17% of the first £2,020 plus 50% of the rest	£343.40 plus 50% of the rest

Table of deductions from weekly earnings for each order issued after 1 April 2009

Take home (net) wage	Percentage we can deduct	Amount to be deducted
Under £75	0%	Nil
Over £75 but under £135	3%	£2.25 - £4.02
Over £135 but under £185	5%	£6.75 - £9.20
Over £185 but under £225	7%	£12.95 - £15.68
Over £225 but under £355	12%	£27.00 - £42.48
Over £355 but under £505	17%	£60.35 - £85.68
Over £505	17% of the first £505, plus 50% of the rest	£85.85 plus 50% of the rest

Appendix 4- 2009/10 Complaints Statistics

Numbers of complaints and percentage dealt with within 15 days (target now 10 days from April 2010)

	Complaint level			% on time
	Stage 1	Stage 2	Stage 3	
Council Tax	318	29	1	90%
Benefits	223	27	3	93%

Details of complaints by nature (categories set corporately)

	Primary reason for complaint			
	Discrimination	Staff attitude/perf	Poor service	Disagree with decision
Council Tax	0	46	159	143
Benefits	0	34	173	39

Outcome of complaints and action taken within the period

	Outcome				
	Total number	Upheld	Partially upheld	Not upheld	withdrawn
Council Tax	334	113	31	189	1
benefits	243	71	17	154	1

	Action taken and remedy			
	Explanation (no MCC fault)	Apologies & comp	Apology and explanation	other
Council Tax	189	10	133	1
Benefits	133	7	103	

Appendix five

Complaint Learning and Actions Log

This form should be issued with each complaint, and completed by the officer responding

CP&C Case Ref:	Date received:
Officer Dealing:	Date responded:
Department:	No of working days:

Brief summary of complaint

What did we do wrong/could we have done better?

Recommended action/remedy

Is there a need for changes to policy/procedure or guidance?

If yes to the above, what have you done about implementing the required action?