

Manchester City Council Report for Information

Report to: Resources and Governance Scrutiny Committee – 7 March 2023

Subject: Update from the Revenues and Benefits Unit

Report of: Deputy Chief Executive and City Treasurer

Summary

This report provides an update on the activity of the Revenues and Benefits Unit as set out in the June 2022 Scrutiny Report, including final details of recently completed Covid schemes and ongoing cost of living schemes delivered by the service. The report covers:

- Benefits administration, including Council Tax Support and the management of the Welfare Provision Scheme and other discretionary schemes;
- The financial support provided by the Household Support Fund scheme;
- The financial support provided by the Energy Grant Scheme;
- The financial support provided by the Council Tax Support Fund;
- The financial support provided by the Energy Bills Support Scheme Alternative Funding programme;
- The financial support provided by the Alternative Fuel Payment Alternative Funding scheme;
- Performance in the collection of council tax and how we balance collection, whilst working in an ethical way and supporting those residents on a low income; and
- Performance in the collection of business rates. The financial support provided to businesses through various Business Rates Reliefs and grants. The report will provide data for the 2021/22 financial year and available data to show activity between 1 April and 31 December of the 2022/23 financial year.

Recommendations

The Committee is recommended to consider and comment on the information in the report.

Wards Affected:

The services provided by the Revenues and Benefits Unit are provided across all wards in the city. The wards with higher deprivation have higher levels of residents in receipt means tested benefits and discretionary awards.

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The Council's transformation work and response to covid restrictions has meant that the service has worked hard to avoid unnecessary travel by looking to provide services online, by phone or in the local area where possible.

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

The report provides an update on Revenues and Benefits activity and performance impacting Manchester residents and businesses. Consideration of equality, diversity and inclusion issues for Manchester residents and businesses have been taken into account in the development and delivery of the schemes covered in the report.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The policies that support the work of the Unit are in the spirit and in accordance with policies to maximise financial well-being and ensure that the economy is supported to recover post-covid.
A highly skilled city: world class and home-grown talent sustaining the city's economic success	The report provides details on our covid discretionary grant schemes that have been developed to support the city's economic recovery and support good employers that are committed to the employment of Manchester residents and the provision of the living wage.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	This report provides details of how we provide support to residents on a low income as well as our approach to recovery, which is fair and consistent and allows residents to manage other household bills.
A liveable and low carbon city: a destination of choice to live, visit, work	The report provides details on our covid discretionary grant schemes that have been developed to support the city's economic recovery
A connected city: world class infrastructure and connectivity to drive growth	The report provides details on our covid discretionary grant schemes that have been developed to support the city's economic recovery

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

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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.

Enforcement Agency Code of Practice 2021/22

https://www.manchester.gov.uk/downloads/download/5938/enforcement_agency_code_of_practice_council_tax_201415

Welfare provision scheme policy | Manchester City Council

Discretionary Housing Payments policy | Manchester City Council

Update Report from Revenues and Benefits

Resources and Governance Scrutiny Committee – 21 June 2022

<https://democracy.manchester.gov.uk/documents/b13489/Supplementary%20Agenda%2021st-Jun-2022%2014.00%20Resources%20and%20Governance%20Scrutiny%20Committee.pdf?T=9>

1.0 Introduction

1.1 This report provides an update on the activity of the Revenues and Benefits Unit as set out in the June 2022 Scrutiny Report, including final details of recently completed Covid schemes and ongoing cost of living schemes delivered by the service.

1.2 The report will also cover the activity of the Unit as part of the Council's wider role in the administration of support to residents and businesses.

1.3 Support to residents

1.3.1 The Council looks to ensure that any funding that is available, either from local or government funds, has the best impact for our residents and on our communities, supporting the Council's policies and the Our Manchester Strategy.

1.3.2 When considering support, the national context is considered, especially in relation to the wider welfare benefits regime. Whilst the Council is unable to mitigate for all changes to the welfare reform system there are important contextual factors which impact on the level of demand for discretionary support. The Government response to the cost-of-living pressures provides a range of nationally and locally delivered government funded schemes; while increasing inflation and financial pressures indicate a continuing and substantial need for welfare support.

1.3.3 The report provides details of the discretionary support that is provided. This includes the business-as-usual schemes and the additional Covid and cost of living related schemes.

1.4 Council Tax

1.4.1 The council tax that is collected is extremely important and enables the Council to deliver essential services.

1.4.2 The pandemic had a huge impact on residents' ability to pay Council Tax. The 2021/22 in-year collection rate was 89.81%, which was 0.34% lower than 2020/21's rate of 90.15%, and 2.92% lower than 2019/20's collection rate of 92.73%. Residents are still suffering the effects in 2022/23 and although it is recovering, the collection rate has not yet reached 2019/20 levels, meaning reduced levels of revenue for the city.

1.4.3 The Council's Revenues Service is aware of our responsibility to be proportionate and reasonable in the collection of council tax that is owed and where possible works to engage with residents to deliver and sustain payment arrangements. The report details the approach to the collection of money owed and how vulnerable and low-income households are supported.

1.5 Support to businesses

- 1.5.1 As with council tax, the money collected in business rates has a direct impact on the Council's budget. Unless funded by the government any discretionary reliefs and grants are met by the council and ultimately by council taxpayers in the city.
- 1.5.2 Businesses' ability to pay the business rates liability has been hugely impacted by the pandemic. Despite all the grants and reliefs that have been awarded over the last 17 months, the business rates collection rate for 2021/22 was 94.79%, up 6.88% on 2020/21's rate of 87.91%, but down 2.79% on 2019/20's collection rate of 97.58%. There has been some recovery during 2021/22 and the collection rate for 2022/23 is ahead of the 2019/20 figure (pre-pandemic)
- 1.5.3 Unlike council tax, the government provided some support for the Council to mitigate some of the reduction in Business Rates income in 2021/22 and 2022/23.

1.6 **Scope**

- 1.6.1 This report does not provide details of the extensive financial and other support that is provided to residents by all areas of the Council. This was covered in a separate report that went to Economy Scrutiny and the Executive in September 2021.
- 1.6.2 This report is split into the following areas:
- Introduction to the Unit
 - Additional support to residents provided during the pandemic
 - Additional cost of living support provided in 2022/23
 - MCC welfare support schemes, including Council Tax support, the Welfare Provision Scheme and other discretionary schemes
 - Performance in the administration of Benefits including Council Tax Support
 - Support to businesses
 - Summary of covid related schemes now ended and what is in place for 2022/23
 - Performance in the collection of council tax and how we balance collection, whilst working in an ethical way and supporting those residents on a low income
 - Performance in the collection of business rates.
- 1.6.3 The report will provide data for the 2021/22 financial year and year to date data for the 2022/23 financial year.

2.0 **Background**

2.1 **Introduction to the Unit**

- 2.1.2 The Revenues and Benefits Unit delivers two large service areas: billing, collection and recovery of money due to the Council and the assessment and payment of several areas of benefits and financial support paid to residents.
- 2.1.3 The Revenues Service is responsible for the collection of all council tax, business rates, benefit overpayments, miscellaneous income and adult social care debt as the result of a financial assessment for care.
- 2.1.4 The Benefits Service assesses entitlement and makes payments for Housing Benefit, Council Tax Support, the Welfare Provision Scheme, Adult Social Care charges and several areas of discretionary support, as required to support the Council's priorities.

2.2 The impact of Covid and the Cost-of-Living crisis on our activity

- 2.2.1 As the impact of Covid on residents and service delivery has receded the impact of the Cost-of-Living crisis has grown.
- 2.2.2 The service picked up significant, additional work as a result of the pandemic, including the development of grant schemes and other support across many areas, including welfare support, council tax and business rates.
- 2.2.3 New and ongoing additional work demands have presented as a result of the Governments and Council's response to the Cost-of-Living crisis.
- 2.2.4 Successful delivery of these schemes has been achieved by careful planning and resource management and the flexibility, commitment and professionalism of our colleagues, but there has been a significant impact on delivery of our usual services due to the diversion of resources to administer the grant and welfare schemes.
- 2.2.5 For some services, the Council acts as an agent and partner of the government, for example the administration of Housing Benefit or administering reliefs and grants. As a result, the rate of immediate change and fast-moving government policy decisions have had an impact on the work that we had to do. In many cases this has resulted in colleagues working across service areas and picking up new work areas.
- 2.2.6 Further detail on these areas is included in the following sections linked to functional areas.

3.0 Additional and discretionary Support provided by the Council 2022/23

- 3.1 The following sections detail some of the discretionary support provided by the Council and administered by the Revenues and Benefits Unit. Some of these are new schemes in response to covid and some are business as usual. In addition to this, some are covered by government grants and others are wholly funded by the Council.

3.2 Free School Meals – Alternative Support

3.2.1 During 2021/22 government directed schemes providing funding of £15 for each eligible child were delivered by the Council. In 2022/23 the Council used a proportion of Household Support Fund grants to ensure that pupils in school nursery classes and 6th forms received support in addition to children eligible for Free School Meals. Vouchers were provided via schools and other key groups following an approach developed by Children’s Services. The following amounts were paid out:

- Easter 2022 - £1.1m
- May half-term 2022 - £0.62m
- Summer 2021 - £1.65m
- Autumn half-term 2021 - £0.62m
- Christmas 2022 - £1.2m
- February half-term 2023 - £0.6m

3.3 Holiday Activity Fund

3.3.1 £190k of Household Support Fund 3 has been allocated to fund Holiday Activity Fund (HAF) schemes during the autumn and spring half-terms. Separate HAF funding is provided by Government for the main school holidays.

3.4 Discretionary Housing Payments

3.4.1 Local Housing Allowance rates

In April 2020, as a result of covid, the government increased the Local Housing Allowance (LHA) rates on which Housing Benefit is based. The rates were adjusted to meet the 30th percentile of the rented properties in the LHA area. The LHA rates have not been increased since and will remain at the April 2020 level in April 2023 meaning that the value of the 2020 increases will continue to reduce if further uprating of LHA rates is not applied in future years. This has an impact on ongoing demand for DHP.

The table below shows the current rates for the two areas we use in Manchester. Most people in the city fall within the Manchester Central area.

Central	Shared	One Bed	Two Bed	Three Bed	Four Bed
April 2020	£75.50	£138.08	£149.59	£166.85	£218.63
Southern	Shared	One Bed	Two Bed	Three Bed	Four Bed
April 2020	£82.82	£120.82	£149.59	£172.60	£253.15

3.4.2 Managing demand for Discretionary Housing Payments

To be eligible for consideration for DHP assistance a resident must already qualify for Housing Benefit or Universal Credit (Housing Element). DHP

payments are typically made in the form of short-term awards to ease transitions and to give residents time to seek resolution of their difficulties. Support includes easing the impact of the household benefit cap; mitigating the application of size criteria in the social rented sector; and assistance for residents in short-term homelessness accommodation to address rent arrears that may otherwise constrain move on options. Each application is considered on the circumstances of the case.

2021/22 - DWP DHP funding of £1,969,859 was received for the year with the Council providing an additional £1m of funds.

£2,910,661 was paid out with decisions made on 4,106 cases resulting in 2,380 awards. 265 of the 4,106 applications referenced Covid19 as a contributing factor for the DHP request and 77% were paid.

2022/23 - The DWP provided Discretionary Housing Payments funding of £1,367,767. In August 2022 they announced their allocation of £2 million DHP funding that they did not allocate at the start of the year. Manchester's additional allocation of this pot was £28,348, taking our total DHP allocation to £1,396,135. The allocation for 2022/23 represents a 30% reduction in DWP funding compared to 2021/22. An additional £1 million funding has been provided by the Council. At 1 February 2023 we have paid and committed £1,783,752.28.

To ensure the most effective use of DHP in 2022/23 we have stepped away from clearing outstanding arrears and moved to pay DHP at a level that prevents a further increase in rent arrears. This action is designed to ensure that tenancies are protected while lessening the pressure on the budget and maximising the number of eligible households supported.

The full DWP allocation was spent by 19 October. We do not expect to spend the full allocation from the council. Based on current estimates we expect the total DHP spend to be £1.9 million. Continuing Cost-of-Living pressures suggest that demand for DHP may increase during 2023/24.

3.5 Discretionary Council Tax Payment Scheme (DCTP)

3.5.1 2022/23 - Discretionary Council Tax Payments

At 1 February 2023, £338,923 has been paid out to support 479 care-leaver cases and £41,243 paid in support of 193 other Discretionary Council Tax Payment applications. These have been considered on the individual merits of each case in accordance with the Council's policy.

A total of 289 cases affected by the 2-child limit have been awarded a total of £89,855.

All DCTP is funded by the Council.

3.6 Welfare Provision Scheme

- 3.6.1 **2021/22** - Demand for support from the core WPS reflects the continuing impact of Covid and the cost-of-living pressures on residents and the number of households moving from temporary homelessness accommodation into general needs housing where WPS support is provided.
- 3.6.2 The core WPS budget of £600,000 was topped up in response to the level of demand, with an additional £216,000 of Council contingency funding drawn down to cover the additional spend.
- 3.6.3 Spend against reported application reasons up to 31 March 2022 is shown below:

Reason for Application	Number Approved	Value of Awards
Moving Home / Resettlement	1,663	£707,331
Other Reason	1,267	£87,023
Carers Emergency Fund	609	£76,260
Disaster	269	£21,117
Travel	13	£470
Total	3,821	£892,200

- 3.6.4 **2022/23** - Demand for support from the core WPS remains high. This reflects rising cost of living pressures and the number of households moving from temporary homelessness accommodation into general needs housing where WPS support is provided.
- 3.6.5 Spend against reported application reasons up to 31 January 2023 is shown below:

Reason for Application	Number Approved	Value of Awards
Moving Home / Resettlement	1,459	£ 631,835
Other Reason	20 2,961	£230,994
Carers Emergency Fund	746	£ 84,538
Disaster	564	£ 49,763
Travel	29	£ 1,778
Total	4,769	£ 998,908

- 3.6.6 Due to the current demand and projected levels of spend, a further £400,000 has been allocated to the £600,000 core Welfare Provision Scheme budget. A further £100,000 was allocated from Household Support Fund 3 (details at section 3.8.2.2) which was spent within six weeks due to the high demand for cash and fuel support. A further £112,070 was paid out by 31 January 2023 and additional funding has been provided from either the DHP underspend or from the COMF grant.

3.7 **Support for Carers**

- 3.7.1 **2021/22** - The £100,000 budget in 2021/22 was funded by the Council. This element of the wider WPS service was developed for 2021/22 in consultation

with Carers Manchester Contact Point (CMCP), Manchester Carers' Forum and Carers' Commissioning. Access to this budget is now directed through the CMCP and Carers Team. In 2020/21 £76,260 was paid to 609 Carers' Emergency Fund cases.

3.7.2 **2022/23** The £100,000 budget was retained for 2022/23. As at 31 January 2023, a total of £ 84,538 has been paid to 746 cases.

3.8 **Food Poverty**

3.8.1 **2023/24** - £100,000 is available for distribution to all wards in the city to alleviate food poverty. This will be managed through the Neighbourhood Teams.

3.9 **Household Support Fund**

3.9.1 **2021/22** - The Government first announced the Household Support Fund scheme in September 2021 running for a six-month period from October 2021 to end of March 2022. Manchester City Council received £6.453m to support residents. No new burdens funding was provided. The full Fund was allocated and taken up.

3.9.2 **2022/3** - Further government funding for Phases 2 and 3 of the Household Support has been received. The funding covered six-month blocks from April 2022 to March 2023. Each phase provides £6.453m to administer and allocate to help households who are not eligible for other kinds of help or who need further support.

3.9.3 Government guidance for Household Support Fund 2 required that at least one-third of the total funding must be spent on families with children and one-third spent on pension age households. The expectation was that the Household Support Fund should be used to support households who need it most to receive vital support to meet essential household costs; in particular with food, clothing, energy and water bills.

3.10 **Household Support Fund 2**

3.10.1 The Council administered the Household Support Fund 2 scheme in three key parts to support Manchester residents:

Support to families with children who are eligible for Free School Meals

3.10.2 £2.2m of the fund (34%) is directed to this group. This consists of

- £15 payment for each eligible child based upon school census data and distributed in late May and a further payment of £40 distributed in the summer.
- The Free School Meal eligibility criteria is used as a proxy measure to identify need and the schools voucher payment mechanism is used as the fastest method of issuing support. The vouchers were distributed via

Manchester schools. A reciprocal arrangement applies across Greater Manchester Authorities for children attending schools outside of their local authority area.

A universal offer to recipients of Council Tax Support and other key groups

3.10.3 A one-off cash grant was paid to all households in receipt of Council Tax Support (CTS). CTS was used as a broad universal indicator of need and responsibility for household costs. This was issued by BACS payments where bank details are held, or as Post Office vouchers. This consists of:

- A grant of £160 per pension age household in receipt of Council Tax Support (c.£2.15m or 33% of the fund).
- A grant of £50 per working age household in receipt in Council Tax Support (c£1.7m or 26% of the fund).
- A grant of £50 to care leavers and severely mentally impaired (SMI) residents who receive discounts or exemptions from Council tax (c£120k or 2% of the fund).

Third sector support offer

3.10.4 The Council set aside a further £300k for distribution via Citizens Advice Manchester and Macc.

3.10.5 The full HSF2 fund was allocated and taken up.

3.11 Household Support Fund 3

3.11.1 The Council is administering £6.453m of HSF 3 across the following elements to support Manchester residents. The scheme runs to 31 March 2023.

Support to families with children who are eligible for Free School Meals

3.11.2 £2.59m of the fund (40%) is directed to this group. This consists of:

- A £15 weekly payment for each eligible child for the autumn and spring half-terms and the Christmas holidays, based upon school census data. The funding was distributed using the same methodology as HSF2.
- £190k to provide a Holiday Activity Fund (HAF) scheme during the autumn and spring half-terms. Separate HAF funding is provided by the government for the main school holidays.

Support to Care Leavers

- £10 per week given to all Care Leavers living in their own tenancies between October to March

Support offered directly to the following household groups

3.11.3 Funding of £2.92m (45%) was allocated on the following basis:

- a) Households receiving Housing Benefit where no other DWP welfare benefit is in payment, who did not qualify for a government £650 Cost of Living payment
- b) All households of 5 or more people which are in receipt of Council Tax Support
- c) Households where at least one member is in receipt of a disability benefit and where the household size is less than five members, including at least one dependent
- d) Households where the Council Tax Support claimant or partner is above the age to qualify for Pension Credit, but does not receive Pension Credit due to their income, where their weekly income is less than £10 above their Applicable Amount (the minimum weekly amount government says a person needs to cover their living costs) and their household size is less than five members
- e) Households where the Council Tax Support claimant or partner started to receive Pension Credit after the qualifying period 26 April 2022 to 25 May 2022 for the first Cost-of Living payment of £326 and therefore did not qualify for this payment
- f) Households where the Council Tax Support claimant or partner started to receive Pension Credit after the qualifying period 26 August 2022 to 25 September 2022 for the second Cost-of Living payment of £324 and therefore did not qualify for this payment
- g) Households who have fuel costs but who cannot access the £400 of energy support from the Energy Bill Support Scheme or the equivalence package confirmed on 29 July. This has now been superseded by the new government scheme and only two payments were made very early on in the scheme.
- h) Households who received a nil award of Universal Credit (UC) or were not claiming it during the qualifying period 26 April 2022 to 25 May 2022 for the first Cost-of Living payment of £326 but who received an award of UC shortly after the qualifying period ended and remain on Universal Credit
- i) Households who received a nil award of Universal Credit or were not claiming it during the qualifying period 26 August 2022 to 25 September 2022 for the second Cost-of Living payment of £324 but who received an award of UC shortly after the qualifying period ended and remain on Universal Credit
- j) People who would be entitled to but are not claiming any qualifying benefits and therefore have not received any Cost-of-Living payments

3.11.4 Payments are made directly to the resident's bank account where data is held within the Council's Housing Benefit / Council Tax systems. For all other cases those residents identified have been contacted by letter, and/or SMS; and/or email to invite an application.

3.11.5 More details on cohorts a) to j) are included at Appendix 1.

Third sector support offer

3.11.6 The Council set aside £500k to work with advice agencies and the third sector in the city. This includes support for the Manchester Food partnership. It also

incorporates funding for Care and Repair for the provision of insulation for hot water tanks and fitting draft excluders, for example.

- Engaging with Citizens Advice Manchester (CAM) and Manchester Community Central (MACC) offers additional assurance that harder to reach communities receive support.
- CAM recently launched their Mobile Advice Unit, increasing their reach and capacity to engage at neighbourhood level
- MACC work with a wide range of voluntary groups across the city

Welfare Provision Scheme

3.11.7 £100k was directed to the Council's Welfare Provision Scheme increasing the service's capacity to meet growing requests for support for energy and wider household costs.

HSF3 Review in January 2023

3.11.8 Demand and spend against HSF3 was reviewed in January 2023. This led to a number of adjustments to ensure that presenting need was supported to the fullest possible extent.

- Cost of living payments to internal Foster Carers of £300, expected to cost £150k in total.
- Payments to households who missed out on the Universal Credit cost Living autumn payments, estimated at £369k
- Support provided through advice agencies and the third sector adjusted from £500k to £410k

3.11.9 The additional £519k required has been made available through:

- £300k which was identified to support people to remain in their accommodation and reduce homelessness. This is now covered through the increased Homelessness prevention grant.
- £219k released through lower than anticipated applications for Discretionary Housing Payments

3.11.10 The above changes were approved at February 2023 Executive.

3.11.11 Total reported spend as at 28 February 2023 including the changes agreed at February 2023 Executive are shown in the table below:

Cohort	Award Value	Total spend to date
Free School Meals / Holiday Activity Fund	Various	£2,590,000
Care Leavers	£260	£74,000
Cohort A HB & no other DWP bens (could be on CTS)	£650	£42,250
Cohort B CTS 5 or more in HH	£400	£1,179,340
Cohort C CTS < 5 members, deps present, disability inc	£220	£721,600
Cohort D CTS < 5 member, Elderly STD, not on PC, EI < £10	£150	£313,650
Cohort E PC: missed 1st COL payment	£326	£14,344
Cohort F PC: missed 2nd COL payment	£324	£9,072
Cohort G Hholds who could not get £400 payment	£400	£800
Cohort H UC: missed 1st COL payment	£326	£149,308
Cohort I UC: missed 2nd COL payment	£324	£19,116
Cohort J Entitled but not claiming qualifying benefit	£650	£0
Third Sector Support	£400	£410,000
Welfare Provision	Various	£222,000
Foster Carers	£300	£121,000
Total		£5,910,544

4.0 Help with energy bills and the cost of living

- 4.1 The Government provided a £37 billion package of support which included the Energy Bills Support Scheme. This includes the following.
- 4.1.1 All domestic energy customers in Great Britain will receive a £400 grant to help with the cost of their energy bills through the Energy Bill Support Scheme. This will be automatically added to customers' energy accounts over six months from October 2022 and will not need to be paid back. The Council is not involved in this scheme.
- 4.1.2 Households liable for Council Tax in Bands A-D in England will also receive a £150 Council Tax Rebate, also known as the Energy Grant, to help with the rising cost of bills. Local authorities also have a discretionary fund to make further payments of up to £150. This is administered by councils and full detail of Manchester's discretionary scheme is available in Appendix Three.
- 4.1.2.1 The Council delivered the core scheme element of the Energy Grant between April 2022 and 30 November 2022 (extended from 31 October 2022 by government towards the end of the scheme).
- 4.1.2.2 This scheme required payment of £150 to every household meeting the following criteria:

- They occupy a property valued in council tax bands A – D on 1 April 2022. This includes property that is valued in band E but has an alternative valuation of band D as a result of the disabled band reduction scheme
- The property is someone's sole or main residence
- The property is a chargeable dwelling, or in exemption classes N (solely for full time students, but not a hall of residence), S (where the liable person is under 18), U (where the liable person is severely mentally impaired), or W (where the liable person is a dependant relative who is over 65 or permanently disabled and living in a separately banded unit within a single property such as a self-contained annexe)
- Only one payment of £150 can be made to each eligible household and the scheme is fully funded by the Government.

4.1.2.3 The £32.448m funding was allocated by Government based on the Council Taxbase Form for Bands A-D returned to government in October 2021. £32.024m or 98.7% of the funding was paid to 213,496 households under the core scheme. This was paid out as follows.

- Where the Council holds a live Direct Debit instruction a direct payment was made into the liable person's bank account. £17.651m was paid to 117,676 households.
- £12.468m was paid to 83,121 households by Post Office Voucher.
- £1.905m was paid to 12,699 households in the form of a credit to the Council Tax account.

4.1.2.4 The government allocated a discretionary grant of £1.626m to the Council. This was delivered between June 2022 and 30 November 2022. £1.624m was paid to 10,832 households, representing 99.9% of the grant. This was paid as follows:

- Where the Council holds a live Direct Debit instruction a direct payment was made into the liable person's bank account. £0.510m was paid to 3,403 households.
- £1.098m was paid out to 7,322 households by Post Office Voucher.
- £16k was paid to 107 households in the form of a credit to the Council Tax account.

4.1.3 In addition the Government announced the following:

- All pensioner households will receive an extra £300 to help them cover the rising cost of energy in November or December 2022. This payment will go as a top up to the over 8 million pensioner households who receive the Winter Fuel Payment. For most pensioner households, this will be paid by direct debit, is not taxable and does not affect eligibility for other benefits. The government will make these payments directly to households across the UK.
- 2.2 million low-income households currently receive a £140 warm homes rebate on their energy bills. From 2022, proposed changes will see the

scheme be worth £475 million a year with nearly 3 million households receiving a £150 rebate.

- The Winter Fuel Payment Scheme provides payments of £200 for households with someone of State Pension Age, or £300 for Households with someone aged 80 or over. This increases the baseline payment from £100 to £200.
- Cold Weather Payments of £25 extra a week are paid to poorer households when the temperature is zero or below. This is an established scheme and not an additional level of support.

4.2 £650 Cost of Living payment for those on benefits

4.2.1 More than 8 million households on means tested benefits will receive a payment of £650. This includes all households who receive Universal Credit, Income-based Jobseekers Allowance, Income-related Employment and Support Allowance, Income Support, Working Tax Credit, Child Tax Credit, Pension Credit. Department of Work and Pensions will make the payment in two lump sums – the first in Autumn 2022. Payments from HMRC for those on Tax Credits only will follow shortly after each to ensure there are no duplicate payments. The government will make these payments directly to households across the UK.

4.3 £150 Disability Cost of Living Payment

4.3.1 People with disabilities will receive an extra £150 to help with the particular extra costs they face. Six million people who receive Disability Living Allowance, Personal Independence Payment, Attendance Allowance, Scottish Disability Benefits, Armed Forces Independence Payment, Constant Attendance Allowance and War Pension Mobility Supplement will receive the support as a one-off payment in September 2022. These payments will be exempt from tax, will not count towards the benefit cap, and will not have any impact on existing benefit awards. The government will make these payments directly to households across the UK.

5.0 Energy Bills Support Scheme Alternative Funding

5.1 The Energy Bills Support Scheme Alternative Funding (EBSSAF) programme is a one-off £400 non-repayable payment to eligible households who have not received the main EBSS payment automatically (section 4.1.1) to help with their energy bills between 1 October 2022 and 31 March 2023 but are still facing increased energy costs (the EBSS scheme is being delivered through domestic electricity suppliers in six instalments from October 2022 to March 2023).

5.2 The final guidance was received week beginning 20 February. The Council is due to receive £2.3m which will cover 80% of Government's estimated eligible households and represents 5,751 £400 payments. Any over / under spend at the end of the scheme will be accounted for in the reconciliation process. Individuals will need to apply for the EBSSAF via a Gov.UK portal. This is the

only means of applying. The resident must also provide bank account details to receive payment. No other payment option is offered.

- 5.3 The Council is responsible for distributing support payments to eligible applicants. No household will be eligible for both the EBSS payment and an EBSSAF payment and no discretionary element applies within EBSSAF.
- 5.4 Eligible households include those in residential care homes who are not fully funded by the council; those with a commercial landlord or intermediary, such as park home residents; and those in temporary / supported accommodation.
- 5.5 Payments should be made to eligible applicants within 30 working days of receiving the application via the government portal with all payments made by 30 June 2023.
- 5.6 The Revenues and Benefits Unit are working with colleagues across Finance, Internal Audit, Communications, Customer Services Organisation and ICT to put the required systems and resources in place to deliver EBSSAF between March and June 2023.

6.0 Alternative Fuel Payment Alternative Funding

- 6.1 The Government has also recently announced the Alternative Fuel Payment Alternative Funding (AFPAF) scheme. This is intended to pay £200 to households who use alternative fuels to heat their home and can't be paid by their electricity supplier.
- 6.2 The guidance has now been received, with a launch date of 27 February 2023. Government have advised that the same timescales and same broad processes will apply for AFPAF as with EBSSAF and work is also underway to deliver this scheme.

7.0 Benefits administration

7.1 Caseload

- 7.1.1 The transfer of cases to Universal Credit continues. DWP current advice is that this process will complete in 2024. The Council only receives new Housing Benefit claims from residents of pension age and people in temporary or supported accommodation.
- 7.1.2 It should be noted that although residents claim housing costs as part of their UC claim, any discretionary support for rent costs is still directed to the Council administered Discretionary Housing Payment scheme.
- 7.1.3 Between December 2021 and January 2023, the average monthly reductions were:
 - HB working age caseload 0.95%;
 - HB pension age caseload 0.18%; and

- CTS caseload 0.45%.

7.1.4 The pandemic saw the Council Tax Support (CTS) caseload rise from its lowest reported level of 50,609 on 1 April 2020 to a peak of 53,387 at 1 September 2020. At 31 December 2022 the CTS caseload is 48,184.

7.1.5 The government response to cost-of-living pressures mean that it is difficult to offer a definitive assessment of the future demand on HB and CTS. It is reasonable to expect that the HB caseload will continue to reduce while fluctuations in the CTS caseload may occur during 2023/24.

7.1.6 The following table shows the caseload from December 2021 to December 2022 across Housing Benefit and CTS. It may be helpful to note that not all residents in receipt of HB or UC have council tax liability and so numbers of CTS cases do not correlate to HB here, or UC figures elsewhere in the report.

	31 Dec 21	31 Mar 22	30 Jun 22	30 Sep 22	31 Dec 22
Total Caseload HB / CTS	56,386	55,628	55,060	54,782	54,201
HB live claims	34,104	33,507	32,700	32,102	31,659
Social Housing	28,425	28,105	27,542	27,157	26,864
Private	5,679	5,402	5,158	4,945	4,795
Under 60 and working	3,647	3,397	3,141	2,941	2,822
CTS live claims	50,263	49,195	49,067	48,809	48,184
Claiming Universal Credit	17,618	17,530	17,890	18,232	18,180

7.2 Speed of processing

7.2.1 Despite the pandemic and cost-of-living pressures Benefits Operations have maintained good average speed of processing outcomes helping to ensure that residents received timely financial support:

HB & CTS	2021/22		2022/23		
	Q3	Q4	Q1	Q2	Q3
New claim - avg days	15.86	18.90	20.14	20.37	20.61
Changes - avg days	8.26	5.91	10.78	10.42	9.88

8.0 Council Tax Support

8.1 Council Tax Support (CTS) is a local means tested support scheme funded by the Council that provides financial support to residents towards their council tax liability.

8.2 The Council's scheme provides means tested support to working age residents of up to 82.5% of the council tax that is due. Government has

determined that pensioners must still be assessed for means tested support towards their council tax based on 100% of the council tax that is due, resulting in a more generous scheme for residents of pension age.

- 8.3 In Manchester the scheme is broadly split with one third pensioners and two thirds working age residents. This is across both claimant numbers and amount paid.
- 8.4 The table at appendix two provides this data split by council tax band by claimant numbers
- 8.5 Residents' benefits will be changing all the time as their circumstances change, this includes coming on and off benefits. Examples of other changes include address changes, family composition, income details and work status. The levels of transience within the caseload and the number of people going on and off benefits, along with the high levels of deprivation in the city make the administration of Council Tax Support and the collection of council tax challenging and complex. The Council has worked hard to make the process of claiming CTS as simple as possible. This includes linking into the DWP UC claim process and using claim details.
- 8.6 Council Tax Support costs the Council around £35m per year and any increase in council tax charged results in the same percentage increase in the costs of the scheme. There is a commitment made as part of the 2023/24 budget process to review the levels of support provided with a view to increasing the maximum level of support to 85% for 2023/24.

9.0 Support to Businesses during the Pandemic

9.1 Covid Business support administered by the Council

- 9.1.1 In addition to the wider support provided by the government to businesses affected by the pandemic, which included business loans and furlough and the self-employed income scheme, the Council has administered several schemes on behalf of government.
- 9.1.2 These have included business rates relief (reducing the amount of business rates that are due) and a series of grants; some prescribed and funded by government and others where the council was given an amount of money and was expected to determine criteria based on local economic priorities.
- 9.1.3 Any business rates relief is treated as a reduction to the amount of business rates payable rather than a cash grant to the business. If the account then goes into credit a refund is paid.

9.2 2020/21 Financial year

9.2.1 Expanded Retail Discount

In response to Covid, the Government introduced the Expanded Retail Discount to support the leisure and hospitality sectors by giving them 100% Business Rates Relief. For 2021/22 this was awarded at 100% for the first three months followed by 66% for the remaining nine months. For 2022/23 this was further reduced to 50% for the full year. All reliefs awarded under this scheme are fully funded by the Government.

Businesses eligible for the Expanded Retail Discount included the following:

- Shops;
- Restaurants, cafés, bars or pubs;
- Cinemas or live music venues;
- Assembly or leisure properties - for example, a sports club, a gym or a spa; and
- Hospitality properties - for example, a hotel, a guest house or self-catering accommodation.

The reliefs awarded were as follows:

2020/21 - £148.882m, awarded to 4,981 businesses (18.3% of the city's businesses).

2021/22 - £76.57 million, awarded to 3,715 businesses

To December 2022/23 - £25.15 million, awarded to 2,424 businesses

The reduction in the amount of relief awarded is due to the reducing percentage paid as set out above and the introduction of an upper limit paid based on the value of business rates a company was liable for on all of its premises which was introduced for 2021/22 and reduced for 2022/23.

9.1.2 Nursery relief

The government also provided a specific discount to childcare providers. The Nursery Relief provided full relief from the business rates that were due to be paid for the financial year. As with the above, the amount paid was reimbursed by government.

To qualify a nursery had to be liable for business rates and:

- included on Ofsted's Early Years Register; and
- be a provider of care and education for children up to 5 years old (early years foundation stage).

In 2020/21, 81 nurseries received this relief worth £0.896m. A further £0.632 million was awarded in 2021/22.

9.2 Covid-19 Additional Relief Fund (CARF)

- 9.2.1 £23.9 million was made available to support those businesses affected by the pandemic but who were ineligible for the existing support schemes linked to business rates. The scheme was designed to support businesses who have not been able to submit an appeal to the Valuation Office Agency to reduce their business rates because of the pandemic following a change in the rules

by the Government. The relief was available to reduce chargeable amounts in respect of the 2021/22 financial year only. Therefore it was only payable to businesses that had a business rates liability during this period.

9.2.2 The following property types are not eligible as they are covered by other schemes:

- shops, restaurants, cafes, drinking establishments, cinemas and live music venues
- those used for assembly and leisure
- hotels, guest and boarding premises and self-catering accommodation

9.2.3 There has been low interest in the CARF scheme both nationally and locally. The council undertook a significant promotional campaign aimed at all those considered eligible, including two bespoke letters, an insert in annual bills, working alongside the Work and Skills Team and use of digital channels to encourage take up.

9.2.4 The funding was paid in the following tranches:

- 100% relief to businesses who applied and were approved for CARF during the application windows, or who did not apply but were eligible for support from remaining funds.
- A maximum of £5,000 per business from remaining funds for businesses who did not apply, or
- A fixed percentage of 30.58% to businesses from remaining funds for businesses who did not apply.

9.2.5 The final awards are being processed and this will be completed by 31 March 2023. The table below shows the number of businesses that have benefited, and the total amounts awarded.

Award type	Number of properties	Value
100% CARF for 21/22	2,023	£16,447,077.34
Maximum £5k awards	939	£4,395,000.00
30.58% awards	3,087	£3,010,237.44
Totals	6,049	£23,852,314.78

Total CARF allocation	£23,993,116.00
Less awards so far	£23,852,314.78
Total remaining	£140,801.22
Projected CARF spent	£23,993,113.00*

*assumes we will not be able to award all of the remaining funds due to liability changes that will take place before 31 March 2023.

9.2.6 The council has worked hard to make sure the available funding has reached businesses.

10.0 Business Grants determined by government

10.1 Background

10.1.1 In addition to relief from business rates payable, the government has also provided for a range of cash grants administered by billing authorities where it has prescribed and determined the amount of, and eligibility for, the grants. These grants were paid from March 2020 with the final scheme ending on 31 March 2022.

10.1.2 The grant periods and amounts were a direct response to the country moving through the various Covid restrictions, lockdowns and impact of the Omicron variant. The intention was to provide direct support to those businesses where the government determined that they had to close completely or were significantly impacted by the restrictions. The grants were part of a wider package of business support that included furlough etc.

10.2 Payments for business grants determined by government

10.2.1 The table below shows a breakdown of government allocations, awards to businesses and amounts to be returned across the support schemes from March 2020 to 31 March 2022. Of the £242.264m received from government for the Small Business Grant; Retail, Hospitality & Leisure Grant; various Local Restriction Support Grant (LRSG), Restart and Omicron grant, £198.816m has been allocated to businesses with £43.448m either returned, or due to be returned to government.

10.2.2 The Council does not have any discretion and can only use the funding to award based on the detailed criteria set by the government. Unspent money could not be used on other schemes. The government allocations were based on the property descriptions held by the Valuation Office Agency (Special Category Codes or SCAT codes). Broad assumptions were made on business activity over the pandemic based on these codes. These codes were, and remain, inaccurate in both description and property activity which explains why a significant amount of funding had to be returned to Central Government.

10.3 Payment summary against estimated funding

10.3.1 The table below shows the values of the payments made.

Business Support Scheme	Govt Funding	Number of Payments	Allocation	Balance to return to Govt
	£000	count	£000	£000
Small Business Grant	115,600	6,464	64,640	9,730
Retail, Hospitality & Leisure Grant		2,026	41,230	
LRSO Closed (Tier 3)	502	370	335	78
LRSO Sector		64	89	
LRSO Closed Addendum (National Lockdown)	11,187	3,942	7,018	4,168
Christmas Support Payments	250	245	245	5
LRSO Closed version 2	4,791	1,432	3,011	572
LRSO Closed Addendum Tier 4		3,787	1,208	
LRSO Closed Addendum post January	34,359	7,920	21,687	12,672
Closed Bus Lockdown Payment	33,552	3,930	21,057	12,495
Restart Grant Strand 1: Non-essential Retail	35,935	1,224	4,147	3,382
Restart Grant Strand 2: Hosp, Accom, Leis, Pers Care & Gym		2,618	28,406	
Omicron Hospitality & Leisure Grant	6,090	1,413	5,744	347
Total SBG, RHL, LRSO, Restart & Omicron	242,264	35,435	198,816	43,448

NB. The number of payments shown in the table above reflects the number of payments made by the Council not the number of businesses that received a grant. It may be possible a single business received several payments over the COVID 19 period.

11.0 Discretionary business grants where the Council acted as Principal and had some discretion on eligibility.

11.1 Discretionary business grant schemes

11.1.1 In addition to the main business support grants, the Council has managed four discretionary schemes:

- Local Authority Discretionary Grant Fund;
- Local Restrictions Support Grant (Open) (LRSO Open);
- Additional Restrictions Grant (ARG); and
- Additional Restriction Grant (Omicron)

11.1.2 A grant was allocated for distribution by the council with any unspent grant to be returned to government and any excess awarded met by the Council. Only 0.046% of the funding has had to be returned - c£15k.

11.2 Discretionary schemes spend

11.2.1 The following table provides a summary of funding and spend across all areas of the discretionary grants.

Business Support Scheme	Govt Funding	Number of Payments	Allocation	Balance to return to Govt
	£000	count	£000	£000
Local Authority Discretionary Funding Grant	5,432	958	5,423	10
LRSO Open	7,864	1,918	7,861	3
ARG for businesses with RV	20,920	1,480	3,637	1
ARG for businesses with no RV		1,541	5,987	
ARG for Taxi drivers		3,164	1,240	
ARG for Childcare / Day-care		592	1,503	
ARG for Cultural / Entertainment		147	2,632	
ARG for Charity		110	867	
ARG for Business of Economic Importance		16	1,113	
ARG Restart RV		240	1,277	
ARG Restart Non RV		345	1,466	
ARG Emergency Business Support		282	1,196	
ARG Omicron		999	657	
Total LADFG, LRSO Open and ARG	35,215	11,450	35,199	15

NB. The number of payments shown in the table above reflects the number of payments made by the Council not the number of businesses that received a grant. It may be possible a single business received several payments over the COVID 19 period.

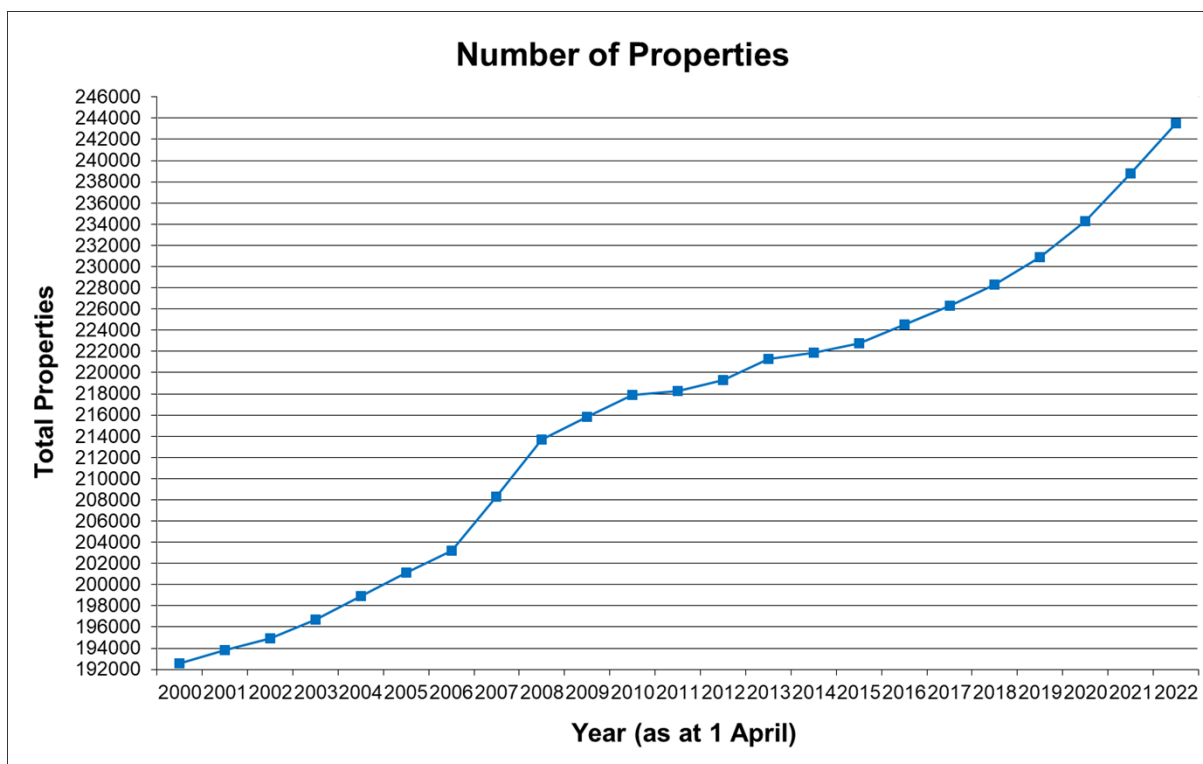
12.0 Performance in the collection of council tax and how we balance collection whilst working in an ethical way and supporting those residents on a low income

12.1 Background

12.1.1 Council tax is essentially a property tax which is levied on the broad capital value of domestic properties. The Valuation Office split all domestic properties into eight bands from A to H, with an amount charged linked to each band. Calculation of the amount payable follows a weighted calculation set by central government. Properties in Band A pay two thirds of the tax levied on Band D properties; those in Band H pay twice the tax levied on Band D.

12.2 Properties in the city

12.2.1 The number of properties within the city has been increasing annually and has increased from 192,588 in 2000, to 245,603 at the end of December 2022, a 27.5% increase.



12.2.2 56% of the properties in the city are in band A, with 95% being in bands A-D (inclusive) and less than 1% (1,380 properties) are in the top two bands of G and H.

12.2.3 A full breakdown of properties split into bands and across wards based on March 2022 data is shown as appendix two.

12.3 Council Tax Debit

12.3.1 The following table shows data across the last two financial years including the total number of banded properties, the associated debit, the amount of council tax support that was paid, the 2020/21 hardship award and the remaining balance to be collected.

	Banded properties	Council Tax to be collected	Council Tax Support paid	Balance to be collected
2019/20	234,284	£243,222,000	£38,933,000	£204,289,000
2020/21	238,807	£262,859,000	£49,141,000*	£213,718,000
2021/22	243,478	£281,417,000	£49,025,000*	£232,392,000
2022/23 (December)	245,602	£298,291,289	£48,910,585	£249,380,784

*Includes £6.643 million in 2020/21 and £5.899 million in 21/22 (current snapshot rather than full year) of covid hardship payments.

12.4 Collection Performance

12.4.1 Background

Council tax collection is measured by the percentage of the collectible debit that is collected in the year that it relates to. Every year the Council sets a target for collection. In recent years the Council had seen an incremental improvement until the pandemic.

The level of deprivation and transience has an impact on collection rates, with significant activity associated with tracing and chasing residents that have moved property and have not provided a forwarding address.

The amount of arrears that collected from previous years is also measured. The ultimate collection rate is circa 96.5%, however this takes several years to achieve. This is because payment plans often extend longer than the financial year and we will stack debt into long term affordable arrangements so that council tax is not paid at the expense of other household bills.

When considering council tax debt, a holistic approach is taken to recovery, where possible collecting the current year plus an amount towards the arrears. Emphasis is placed on finding a sustainable payment arrangement based on wider household responsibilities (especially property costs and priority debt) with residents who engage with us. Whilst taking this approach recovery levels have improved.

This has been even more important over the last six months due to the increased cost of living and staff have been reminded that residents are facing significant financial pressures and that this should be taken into account when establishing sustainable arrangements.

Where the Council does not hold any intelligence on a household's financial status and they fail to engage, there is very little that a council is able to do to recover council tax that is owed other than go through an agreed legal process. We are currently working with an external partner to gather information about residents' ability to pay council tax which will help to identify those who are struggling, so that additional help can be offered if they engage with us. It also helps identify those who could be paying but are not, meaning a firmer line can be taken.

The next step, if a resident will not engage and has not responded to the multiple letters, the summons and the liability order and where we do not hold employer or benefit details, is to send the account to the enforcement agents for them to collect. Since May 2021, Enforcement Agents have collected £1.97 million in council tax owed to the Council.

Ultimately a resident can be made bankrupt (if they owe over £5,000) or committed to prison for failing to pay their council tax. This is very rare and is usually where the household has significant arrears and is failing to engage

with the council and or the magistrates' court. For bankruptcies, the resident would have to have significant equity (over £25,000 at least) before action was initiated).

12.4.2 Collection rate and arrears collection from previous years

The following table shows the collection rates and arrears collection over recent years. Arrear's collection has increased significantly when compared to previous years. This is likely to be because of residents repaying Council Tax that was not paid in year during 2019/20 and 2020/21 when collection performance dropped because of the Covid-19 outbreak. No recovery action has been taken against residents in receipt of maximum Council Tax Support. This will have contributed to the lower collection rate compared to 2019/20.

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23 (to December)
Collection rate	93.01%	92.81%	92.73%	90.15%	89.8%	70.9%*
Arrears collected	£6.8m	£6.2m	£7.2m	£6.4m	£9.1m	£8.2m

*This is 0.8% behind collection at the end of December 2021. However, collection in that year benefited from a £5.899 million input from the Council, equivalent to a 2.5% increase in the rate. In the absence of this injection, the current collection rate would be 1.7% better than last year.

12.4.3 Exchanging information with HMRC

We are currently in the middle of the second trial using information supplied by HMRC on earnings and employers to encourage residents to contact us, including 92 residents earning over £40,000. We try and make contact by phone and email and all residents are written to, letting them know we have their employment details and will make an earnings attachment if they do not respond. This has proven to be very successful with far more residents responding than when reminders and summons are issued.

To date we have made 117 arrangements, 124 earnings attachments and 29 residents have paid in full. These cases are worth over £400k.

Negotiations are currently underway with the Cabinet Office and HMRC to roll this out nationally allowing us to integrate information about earnings and employers into our recovery processes.

12.5 Proportionate and reasonable collection methods

12.5.1 Recovery data

Where possible and based on intelligence about the city over many years, we take a fair and proportionate approach to recovery of the council tax due, seeking to engage with residents and agree affordable payment plans.

The table below shows the annual data for the number of council tax accounts, along with the number of reminders and summons issued. It also shows the number of bankruptcies and the number of residents that were committed to prison for non-payment.

Although the number of properties has been rising year on year and the number of CTS claimants reducing, there has been a downward trend in the number of accounts receiving reminders and summons and these are well below the pre-covid levels of 2019/20.

Unfortunately, the nature of council tax debt and the importance of the money that is collected to the Council, means that we will always have recovery activity. However, the aim is that we engage with residents in the most effective way and build a relationship that avoids costs and escalation wherever possible. No summons have been issued to residents in receipt of maximum Council Tax Support.

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23 (December)
Properties	228,296	230,896	234,284	238,807	243,478	245,603
Reminders	120,300	118,500	110,400	72,000	107,580	98,239
Summons	57,800	56,000	52,000	20,500	39,574	37,908
Bankruptcies	11	5	7	0	1	0
Committals	0	0	0	0	0	0

There are still limited court slots being made available for Liability Order hearings. This slows down our attempts to take recovery action, but all appropriate cases will have been to court by March 2023.

Over the last five years there have been 24 residents made bankrupt and none have been committed to prison for non-payment of Council Tax.

12.5.2 Extended payment arrangements and Direct Debit take up

The Council offers a range of payment methods and instalments at no additional cost to the resident. Although the cheapest and most efficient way for the Council is collection by monthly direct debit, other payment arrangements including local payzone and post office payments where cash can still be used are available. Payment plans can also be set for the full twelve months rather than the standard ten-month arrangement on request.

Direct debit payments have been increasing year on year with many residents opting for a 12 monthly direct debit arrangement. This is partly because of the various sign-up channels being maximised via the Council's website, but also

because payment by direct debit is the automatic choice for many people moving into the city.

£149.6m (£135.2m in 2020/21) was collected by direct debit during 2021/22, an increase of 10.7% when compared with the year before. This is due to the increase in the council tax from April 2020, as well as more residents choosing to pay by this method. It should be noted that the amount collected by direct debit as a percentage of the total amount due reduced slightly, indicative of the impact of the coronavirus outbreak.

The table below shows the total council tax due and the amount and percentage collected by direct debit at the end of December:

Q3	2018/19	2019/20	2020/21	2021/22	2022/23
Total Council Tax due to the Council	£190.6m	£207.4m	£216.3m	£236.1m	£258.2m
Amount collected by Direct Debit	£97.3m	£105.8m	£109.0m	£120.2m	£135.9m
% of total debt collected by DD	51.0%	51.0%	50.5%	50.9%	52.6%

There are 209,834 live council tax accounts with a balance to pay including residents in receipt of some CTS. The table below shows the number of people who have some council tax to pay and the number and percentage paying by direct debit at the end of December. Following a dip last year, the percentage of residents paying by direct debit is now higher than in March 2020.

Q3	2018/19	2019/20	2020/21	2021/22	2022/23
Residents with something to pay	201,120	205,636	211,698	215,591	219,206
DDs	110,800	114,421	114,653	119,678	126,709
% Paying by DD	55.1%	55.6%	54.2%	55.5%	57.8%
% change in number of DDs	2.3%	3.3%	2.5%	2.4%	4.1%

12.5.3 Improving engagement

We are currently evaluating a number of products which seek to improve engagement with residents who are struggling with their Council Tax. These use new technology to reach out to non payers and encourage them to make contact with the Council using a variety of digital communication channels. These have proved successful in other councils at increasing contact from residents who are struggling to pay. Once contact is made, we are more able to work out a sustainable arrangement and signpost resident to other organisations who may be able to support them.

12.6 Enforcement agents (EAs)

12.6.1 Reducing referrals to enforcement agents

Over many years we have steadily reduced the number of cases being passed to enforcement agents from 54,000 accounts per year in 2009/10 to 18,000 in 2019/20. This has been achieved through several measures including:

- Vetting cases where residents have failed to engage to see what intelligence is held on our systems.
- Not referring those residents in receipt of maximum CTS that have a balance to pay.
- Improving the checks on those about to be passed to enforcement agents to identify a more effective and less severe recovery method, for example deduction from benefit or from salary.
- Introducing an additional warning letter before a case is sent to EAs, emphasising the costs that could be incurred and urging the resident to engage.
- Improving the intelligence that is held, including taking part in a trial with HMRC where we received employer details for nearly 1,600 residents with Council Tax arrears. These were used to contact the resident and encourage engagement or apply for an attachment of earnings. The trial will be repeated on a larger scale later this year.

No cases for 2020/21 debt were passed to the bailiff during the 2020/21 financial year, as a result of this total referrals to EAs was 23,000 during 2021/22 as residents with debts from 2020/21 who have not engaged with the Council have been passed on, along with those with debts from the current year. A further 16,000 cases require vetting as residents have failed to engage, which may mean that higher levels of cases are referred again during 2022/23.

As described above, we are working with an external partner to gather information to better inform us of a residents' ability to pay. This will further refine our bailiff sift where, in many cases, we have no information about a residents' ability to pay. This will help ensure that only more appropriate cases are passed to Enforcement Agents. We will also be able to assess whether someone may be entitled to Council Tax Support or a Single Person Discount but has not claimed it. These residents will be contacted to better assess their eligibility.

12.6.2 EA code of conduct

As well as all fees being covered by legislation, all enforcement agents contracted to the Council must adhere to a strict code of practice which covers:

- The professional standards they must adhere to;
- The procedures they must follow;
- Guidance on how quickly the money should be repaid; and
- When it is inappropriate to take action.

The code also always includes the requirement to operate a body worn camera when dealing with a resident and a robust set of vulnerability criteria that they must adhere to (appendix three).

12.6.3 Management of EA costs

Additional requirements were placed on the enforcement agents to minimise costs charged to residents and to monitor behaviour:

- EAs must write and phone at least seven times before an in-person visit is attempted, with costs restricted to £75.
- Where the debt is less than £150, cases are returned without an in-person visit (which would add £235 in costs to the resident's debt).
- There is extensive vulnerability criteria and guidance contained in the Enforcement Agent code of conduct which forms part of the contract with the Council. They are instructed to stop action and return cases to the Council where vulnerability is identified.

12.6.4 Impact of the pandemic on EA work

- All recovery action was suspended between March and September 2020. When it resumed, additional steps were built into the recovery process to minimise costs. This includes longer payment arrangements being offered by Council staff and enforcement agents.
- No 2020/2021 accounts were passed to EAs.
- The Debt Recovery Policy and Enforcement Agent Code of Practice were amended to specifically recognise the impact of the pandemic on residents in the city.
- EAs supported the Council by visiting businesses to encourage grant take up.

12.7 Discretionary Council Tax Payment scheme

12.7.1 The Council has a discretionary scheme to provide financial help to residents who face pressures additional to those on Universal Credit. Details were provided in sections 3.15 and 3.24.

12.8 Care Leavers' Discount

12.8.1 The Care Leavers' Discount is available to people under the age of 25 who have a Council Tax Liability and were in care at their 16th birthday. Care leavers qualify for a 100% discount if they live alone and a reduced level of help if they live with others. The Unit works closely with colleagues in Children's Services to ensure that discounts are captured. This will often include wider work including writing off costs etc where contact has been late.

12.8.2 The Council also agreed a reciprocal agreement across Greater Manchester local authorities so that all care leavers wherever they are living across GM can access the same level of support.

12.8.3 Other discretionary schemes including DHP and WPS reference care leavers and ex armed forces as special groups that may need tailored and additional support with council tax and discretionary support.

12.9 Working with partners - pilot with the Oasis Centre, Gorton

12.9.1 We continue to work closely with the Oasis Centre, providing direct access to our staff for their case workers. They see this access as invaluable in helping local residents deal with Council Tax and Benefit issues. Following the outcomes from the Poverty Truth Commission, we considered ways in which we could improve engagement with residents who may not normally contact us. As part of a pilot we have been looking at ways to improve targeted outreach work with those residents that we have struggled to engage with.

13.0 Performance in the administration collection of business rates

13.1 Business Rates in the city

13.1.1 There are 27,356 properties registered to pay business rates in the city. Business rates are charged on most non-domestic properties, including (not an exhaustive list):

- shops
- offices
- pubs
- warehouses
- factories
- holiday rental homes or guest houses
- car parking spaces
- advertising units

13.1.2 How business rates are calculated

Business rates are calculated using a property's 'rateable value' (RV). The RV is a property's estimated rental value on the open market and is assessed by the Valuation Office Agency (VOA), an arm of central government. There are specialist valuation methods for premises such as pubs and larger, unique venues like football stadia, hospitals and airports. The government then decides on the business rates multiplier which is applied to the RV. The business rates multiplier is currently 51.2 pence (49.9 pence for small businesses) so a business with an RV of £100,000 will pay £51,200 in business rates this year.

The most recent business rates revaluation has just been completed. The previous one was in 2017 and the frequency of valuations will now increase to every three years.

The 2023 Revaluation has resulted in Rateable Values increasing by 6.85% nationally (including those properties on the Centra List) and 8.75% in Manchester based on VOA national data and that held locally when the

revaluation was announced in November 2022. The increase in Manchester is higher than the national average, partly due to:

- A higher proportion of business rates relate to office space. Office space in the city has seen an average increase of 26% compared to a national increase of 10%. This makes up 31% of the city's business rates base, compared to 21% in England; and
- RV decreases in the accommodation, leisure and retail sectors being dampened as the city has a lower holding than the national average at 30% compared to a national profile of 40%.

The outcomes of the revaluation are very recent and the data is still being analysed.

Businesses with an RV of less than £12,000 qualify for 100% Small Business Rates Relief (SBRR) and businesses with an RV of between £12,000 and £15,000 get a tapered amount of relief.

Since 2017, the ten Greater Manchester authorities, including Manchester, are part of the Greater Manchester 100% of Business Rates pilot. As 1% of business rates is transferred to the Greater Manchester Combined Authority (fire and rescue element) the Council retains 99% of the growth in business rates achieved over the business rates baseline.

Any business rates income in excess of Manchester's assessed funding need is still paid back to central government to be redistributed in the form of tariffs and top ups but the Council now retains all the growth it achieves in its business rates base.

13.2 Collection Performance

13.2.1 At the end of December 2022, £284.3 million of the current year's Business Rates had been collected, 80.89% of the total amount due. This compares favourably to the years of the pandemic (5.77% more than at December 2021 and 16.48% more than at December 2020) but is also 2.68% ahead of the figure at the end of December 2019.

14.0 Conclusions

14.1 The Revenues and Benefits Unit has performed well during a prolonged challenging period, responding to covid to deliver business as usual and undertaking significant new activity.

15.0 Recommendations

The Committee is recommended to consider and comment on the information in the report.

16.0 Appendices

- Appendix 1 – Overview of HSF3 Support
- Appendix 2 - The number of working age CTS recipients across the different council tax property bands and the amount that they had left to pay after maximum CTS and the £150 hardship payment 2021/22
- Appendix 3 - Energy Grant Scheme (£150 payments)
- Appendix 4 - Council Tax Support data by ward and claimant
- Appendix 5 - Number of properties by ward and band (as at 31.03.2022)
- Appendix 6 - Vulnerability criteria
- Appendix 7 - ARG examples
- Appendix 8 - Examples of the support available to residents in 2022/23