

Manchester City Council Report for Information

Report to: Resources and Governance Scrutiny Committee - 5 September 2024

Subject: Update from the Revenues and Benefits Unit

Report of: Deputy Chief Executive

Summary

This report provides an update on the activity of the Revenues and Benefits Unit set out in the September 2023 Scrutiny Report. 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;
- 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 ongoing financial support provided to businesses through various Business Rates Reliefs and grants.
- The report will provide data for the 2023/24 financial year and available data to show activity between 1 April and 31 July of the 2024/25 financial year.

Recommendations

The Committee is recommended to:

- (1) Consider and comment on the information in the report
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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 has meant that the service has worked 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 Revenues and Benefits Unit operates policies and procedures intended 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 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 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](#)

Welfare Provision Scheme Policy 2024/25
[Welfare provision scheme policy | Manchester City Council](#)

Discretionary Housing Payments Policy 2024/25
[Discretionary Housing Payments policy | Manchester City Council](#)

Update Report from the Revenues and Benefits Unit
[Resources and Governance Scrutiny Committee – 7 September 2023](#)

[Household Support Fund 5](#)

Feasibility Study into ending the use of Enforcement Agents in the collection of Council Tax
[\(Public Pack\)Fouth Supplementary Agenda Agenda Supplement for Resources and Governance Scrutiny Committee, 11/01/2024 10:00 \(manchester.gov.uk\)](#)

1.0 Introduction

- 1.0.1 This report provides an update on the activity of the Revenues and Benefits Unit as set out in the September 2023 Scrutiny Report, including details of ongoing cost of living support schemes delivered by the service.
- 1.0.2 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.

1.1 Support to residents

- 1.1.1 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.
- 1.1.2 When considering support, the national context is taken into account, 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 provided a range of nationally and locally delivered government funded schemes during 2023/24 with funding for Household Support Fund 5 also provided during 2024/25. Increased inflation and financial pressures indicate a continuing and substantial need for welfare support.
- 1.1.3 The report provides details of the discretionary support that is provided. This includes business as usual schemes and cost of living related schemes.

1.2 Council Tax

- 1.2.1 The Council Tax that is collected is extremely important and enables the Council to deliver essential services.
- 1.2.2 The cost-of-living crisis had a significant impact on residents' ability to pay Council Tax in 2023/24. The in-year collection rate was 88.57%, which was 0.65% lower than 2022/23's rate of 89.22%, and 4.16% lower than 2019/20's collection rate of 92.73%, meaning reduced levels of revenue for the city. A renewed focus on collection, combined with a number of new initiatives detailed later in the report, is anticipated to increase Council Tax collection back to pre-pandemic levels.
- 1.2.3 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.

1.3 Support to businesses

- 1.3.1 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.
- 1.3.2 Businesses' ability to pay their Business Rates liability continues to have been hampered by the aftereffects of pandemic. However, the Business Rates collection rate for 2023/24 was 97.74%, 0.46% higher than 2022/23's collection rate and one of the highest in the last 20 years. It must be remembered that small and medium sized businesses in the retail, hospitality and leisure sectors benefited from 75% Business Rates relief in 2023/24 that has been refunded to the Council by central government.

1.4 Scope

1.4.1 This report is split into the following areas:

- Introduction to the Unit
- Temporary cost of living support schemes provided in 2023/24
- Long standing 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
- 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
- Strengthening of practical support for residents struggling to pay their Council Tax.

1.4.2 This report will provide data for the 2023/24 financial year and quarter one data for the 2024/2025 financial year.

2.0 Background

2.1 Introduction to the Unit

- 2.1.1 The Revenues and Benefits Unit delivers two large service areas: the assessment and payment of several areas of benefits and financial support paid to residents and the billing, collection and recovery of money due to the Council.
- 2.1.2 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.

2.1.3 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.

2.2 The impact of 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 workforce, but the impact on delivery of our usual services due to the diversion of resources to administer the grant and welfare schemes continues to play out.

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 have 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.

2.3 Making Manchester Fairer & Anti-Poverty Strategy

2.3.1 Making Manchester Fairer is Manchester's response to Professor Sir Michael Marmot's report *Building Back Fairer in Greater Manchester* and is our plan to tackle health inequalities in the city. One of the main drivers of health inequalities is poverty, and so Manchester's new Anti-Poverty Strategy sits within the wider Making Manchester Fairer Portfolio.

2.3.2 Due to the nature of Revenues and Benefits' work, many of the households we engage with are facing financial hardship and in some cases poverty. The service therefore has an important role to play in tackling poverty and reducing health inequalities while looking to maximise Council Tax collection in the long term to fund essential services. The service continually reviews Council Tax recovery and enforcement processes with this in mind. Other actions that the Revenues and Benefits service will contribute to over the life of the strategy include:

- Support residents in arrears to enter into a sustainable payment plan and connect them with appropriate support. This includes an informal breathing space, payment holidays and longer arrangements to clear arrears.
- Review our approach to debt recovery to make sure we are avoiding pushing vulnerable residents into further hardship. During 2023/24 we wrote off over £500k of summons costs for residents on full Council Tax support or who made an arrangement with us.
- Look at opportunities to pause enforcement action where residents are accessing appropriate help and support.
- Work to ensure that people in crisis are able to maintain their own home, and reduce the risk of homelessness, especially in the private rented sector.

3.0 Temporary cost of living support schemes provided in 2023/24 and 2024/25

3.0.1 The following sections give details of the Household Support Fund Programme (HSF) delivered by the Council and administered by the Revenues and Benefits Unit. HSF expenditure is funded through government grants. Whilst an element of administration costs can be charged against the grant, the City Council have sought to manage admin costs from within existing budgets wherever possible in order to maximise the available support for residents.

3.1 Free School Meals – Alternative Support

3.1.1 For the 18 months from April 2023 to September 2024 the Council used a proportion of both HSF4 and HSF5 funding rounds to support families who are eligible for Free School Meals (FSM). The support provided has included pupils in school nursery classes and 6th forms, which is wider than the core FSM scheme. Vouchers were provided via schools and other key groups following an approach developed by Children’s Services. The following amounts have either been paid or are forecast to be paid out across 2023/24 and 2024/25:

2023/24 - £8.2m

2024/25 - £3.12m

- | | |
|-----------------------------|--------|
| • Easter 2023 - | £1.25m |
| • May 2023 half-term - | £0.65m |
| • Summer 2023 - | £2.39m |
| • Autumn half-term 2023 - | £0.63m |
| • Christmas 2023 - | £1.29m |
| • February half-term 2024 - | £0.66m |
| • Easter 2024 - | £1.33m |
| • May half-term 2024 - | £0.67m |
| • Summer 2024 - | £2.45m |

Further FSM details are included in the following HSF section of the report.

3.2 Household Support Fund

3.2.0 HSF was initially announced for a six-month period from October 2021 to March 2022 to provide support to the most vulnerable during the cost of living crisis. There have been a number of short term funding announcements in respect of HSF and the most recent announcement has provided a further £6.453m to support activity during the six month period from April 2024 – September 2024 The allocation for 2023/24 was £12.906m and this was spent in full, further details are set out below.

3.2.1 HSF4 April 2023 – March 2024- £12.906m

Government guidance for HSF4 was largely in line with previous iterations, requiring that the Fund should be used to support households in the most need; particularly those who may not be eligible for the other support government that had been made available.

The main changes with HSF4 were that the Fund and guidance ran across 12-months; and there was a requirement for residents to have an option to apply for support throughout the life of the scheme.

HSF4 was delivered through a mix of direct awards and application-based awards, with a focus on making support simple to access.

The Council administered the Fund via a number of key channels to support Manchester residents. Table 1. shows the support delivered based on broad categories with further details set out beneath. BACS payments to eligible households where we hold their bank details were made by late June 2023.

Whilst the City Council received HSF grant of £12.906m, the actual total spend for HSF4 was £13.830m. The grant shortfall was funded from within existing council resources during 2023/24. the increased expenditure largely related to higher numbers of families receiving free school meals.

Household Support Fund 4 - 2023/24		
Category Of Support	No's supported	Value £000's
Families of pensionable age	4,800	734
Families of working age	11,582	2,806
Free school Meals	43,988	7,061
Holiday Activity Fund		285
Disabled Households	10,183	2,600
Admin Costs MCC and Third Sector		344
Total		13,830

(Table 1.)

- i. **Support to families with children who are eligible for Free School Meals:**
The scheme includes pupils in school nursery classes and 6th forms which is wider than the core FSM scheme. The overall support package covered c40,000 children and consists of:

i(a)

- A £15 weekly payment for each eligible child for the 2023/24 summer, autumn and spring half-terms and the Christmas holidays; a £55 payment covering the summer holiday period. All based upon school census data.
- A £15 weekly payment for each eligible child for the 2024/25 Easter holiday.
- Money distributed to households on a pupil basis via Manchester schools. For children attending schools outside Manchester a reciprocal arrangement applied with other GM authorities, as in previous schemes.

i(b)

- £285k in total to provide a Holiday Activity Fund (HAF) scheme during the summer, autumn and spring half-terms. Separate HAF funding is provided for the main school holidays.

- ii. **Support to Care Leavers:**

- To maintain a weekly income of £20 above the JSA rate for all Care Leavers living in their own tenancies, an HSF4 top up of £8.02 per week was paid.
- Payments administered by the Leaving Care Team.

- iii. **Support to communities experiencing racial inequalities, disabled people and inclusion health groups:**

- Targeting residents of the following wards: Gorton & Abbey Hey, Levenshulme, Cheetham, Crumpsall, Clayton & Openshaw, and Moss Side. These wards were selected because they have a large proportion of private renters, a group impacted heavily by the cost-of-living crisis, and a group that are not due to receive extra financial support from the Government.
- The award amount is variable and based on the needs of the resident.
- Payments administered by the Covid Health Equity Manchester (CHEM) Team

- iv. **Support offered directly to the following household groups:**

- (a). Households receiving Housing Benefit where no other DWP welfare benefit is in payment and who do not qualify for a government Cost-of-Living payment.
- (b). All households of five 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; And 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.

Payments for (a), (b), (c) and (d) were administered as follows:

- Payment made directly to the resident's bank account where data was held within the Council's Housing Benefit / Council Tax systems.
- For all other cases payment made by Post Office Voucher.

The Council wrote to the following household groups to invite a claim (via the Welfare Provision form). The Council held data that suggested eligibility for these cases, but additional checks were required to provide assurance.

(e). Households where the Council Tax Support claimant or partner started to receive Pension Credit after the qualifying period for the summer and winter Cost of Living payments that applied during 2023/24 and therefore did not qualify for this payment.

(f). Households who received a nil award of Universal Credit (UC) or were not claiming it during the qualifying period for the summer and winter Cost of Living payments that applied during 2023/24 but who received an award of UC shortly after the qualifying period ended and remain on UC.

Payments for (e) and (f) were made directly to the resident's bank account using details provided during the application process.

Recognising that many Manchester households are impacted by the cost-of-living crisis, the following tried and tested schemes for providing support were also included within the HSF4 response.

v. **Third sector support offer:**

- The Council set aside £0.8m to work with advice agencies and the third sector in the city. This also incorporated funding for Care and Repair for the provision of low energy light bulbs.

vi. **Welfare Provision Scheme:**

- £150k was directed to the Council's Welfare Provision Scheme increasing the service's capacity to meet anticipated demand for support for energy and wider household costs.
- This included support for residents with disabilities and also working residents on low incomes who are identified by the Cost of Living Advice Line.

3.2.2 HSF5 April 2024 – September 2024 - £6.453m allocation

Government guidance for HSF5 remained in line with HSF4.

HSF5 is being delivered through a mix of direct awards and application-based awards, with a focus on making support simple to access.

The Council is administering the Fund via a number of key channels to support Manchester residents. Table 2. sets these out at a high level with further details provided beneath. BACS payments to eligible households where we hold their bank details were made by mid-June.

3.2.2.1 HSF5 Spend to date

Spend to 30 June 2024 is as follows:

Overview of HSF5 Spend to 30 June 2024				
	Cases	HSF4 Award per Household	Estimated spend (£'000)	Spend to date (£'000)
School Holiday Meals	43,400	£15 p/w and £55 summer holidays	3,080	653
Holiday Activity Fund	6,000	N/A	95	95
Care Leavers	500	£10 p/w	50	0
CTS: Household with disability	20,980	£100	2,195	2,149
CTS: 4+ in the household	3,060	£100	323	186
CTS: One or more child in the household	2,910	£90	315	284
Voluntary Sector	N/K	Up to £300 one-off	220	0
Food Response	N/K	Variable, average £30 value	100	0
Welfare Provision Scheme	N/K	Up to £100 one-off	20	0
Admin costs	N/A	To be confirmed at scheme end	55	0
Total	c78,000		6,453	3,367

(Table 2.)

A. Support to families with children who are eligible for Free School Meals (FSM), distributing c£3.08m of the Fund to this group. The overall support package covers c44,000 children and consists of:

- A £15 weekly payment for each eligible child for the 2024/25 summer half-term; a £55 payment covering the summer holiday period. All based upon school census data.
- Money distributed to households on a pupil basis via Manchester schools. For children attending schools outside Manchester a reciprocal arrangement will apply with other GM authorities as in previous schemes.

B. £95k to provide a Holiday Activity Fund (HAF) scheme during the summer half-term. Separate HAF funding is provided for the main school holidays.

C. Support to care leavers:

- To maintain a weekly income of c£20 above the JSA rate for all care leavers living in their own tenancies, HSF5 will support top up payments of £10 per week.
 - Estimated number of eligible care leavers = c500
 - Award amount £10 per week across 26 weeks
- Total budget £50k recognising not all payments cover the full period.
- Payments administered by the Leaving Care Team.

D. Support offered directly to the following household groups. Payments made in early to mid June 2024.

Payments made directly to bank accounts, where details are already held, or by Post Office Voucher. This approach offers the greatest assurance that the available support is taken up.

(1) All households in receipt of Council Tax Support where at least one member is in receipt of a disability benefit. Identified from Council Tax Support data.

- Estimated number of eligible households = 22,177
- Working age or pension age
- Award amount £100

(2) Households in receipt of Council Tax Support, NOT included in group (1) or (3) where there are four or more people. Identified from Council Tax Support data.

- Estimated number of eligible households = 3,264
- Working age or pension age
- Award amount £100

(3). Households in receipt of Council Tax Support, NOT included in group (1) or (2) where there is one or more dependent child. Identified from Council Tax Support data.

- Estimated number of eligible households = 3,531
- Working age or pension age
- Award amount £90.
- This lower award amount recognises Free School Meals holiday support payments that are also provided from the HSF5 budget.

Payments for (1), (2) and (3) administered as follows:

- Payment made directly to the resident's bank account where data held within the Council's Housing Benefit / Council Tax systems.
- For all other cases payment made by Post Office Voucher.

Recognising that many Manchester households will be impacted by the cost-of-living crisis the following tried and tested schemes for providing support are also included within the HSF5 response.

E. Third sector support offer

- The Council allocated £220k to work with advice agencies and the third sector in the city. This will also incorporate funding for Care and Repair for the provision of low-energy lightbulbs, for example.
- This element of the scheme will be developed under delegation in the weeks ahead and will include liaison with key partners.
- Engaging with Citizens Advice Manchester (CAM) and Manchester Community Central (MACC) offers additional assurance that harder to reach communities receive support.

F. Food response

- £100k is being directed to support the Council's community food response.

G. Welfare Provision Scheme

- £20k is being directed to the Council's Welfare Provision Scheme increasing the service's capacity to meet the anticipated demand for support for energy and wider household costs.
- This will include support for residents with disabilities and also working residents on low incomes who are identified by the Cost of Living Advice Line.

The HSF4 and 5 budgets provide insufficient resources to meet residents' needs in response to the cost-of-living challenges across the city. As such officers must prioritise awards. The approach to delivering HSF in Manchester

is designed to provide meaningful support to the greatest number of people. The mixed approach including schools, the voluntary sector, Children's Services, Neighbourhoods and the Revenues and Benefits Unit helps the Council to achieve this. Payments are made in several ways to maximise take up including directly to bank accounts, via Post Office Vouchers (99% cashed during HSF4), and vouchers (Free School Meal support).

3.3 Council Tax Support Fund 2023/24

- 3.3.1 In 2023/24 the Council administered a one-off Government funded Council Tax Support Fund (CTSF), with funding allocated to councils based on the share of local Council Tax support claimants. Manchester received funding of £1.286m.
- 3.3.2 The scheme required local authorities to use the majority of their funding allocation to reduce bills for current working age and pension age Council Tax Support claimants by up to £25 with discretion to use the remaining allocation to support vulnerable households with Council Tax bills.
- 3.3.3 The Council allocated the CTSF by making £25 payments to reduce the amount of Council Tax owed for all live or new CTS claimants during the 2023/24 financial year. In some cases a lower value reduction was made, usually where there was a limited period of Council Tax liability and so the amount of Council Tax owed was less than £25.
- 3.3.4 At the end of the scheme we had awarded £1.087m from the £1.286m allocated, leaving a balance of £199k, which was used to fund Discretionary Council Tax Payments within the year.
- 3.3.5 The CTSF budget was fully spent. 85% was paid out to households in the form of £25 reductions (or a lower amount if a limited period of liability applied). The remainder was used to provide support to households identified as eligible for support in the form of a Discretionary Council Tax Payment.

4.0 Established welfare support schemes

- 4.0.1 The following sections detail the established welfare support schemes delivered by the Council and administered by the Revenues and Benefits Unit. Some are covered wholly or in part by government grants and others are wholly funded by the Council.

Discretionary Council Tax Payment Scheme (DCTP)

4.1 Discretionary Council Tax Payments – 2023/24

- 4.1.1 By 31 March 2024, £439k had been paid out to support 614 care-leaver cases.
- 4.1.2 £212k was paid out to 1,148 households under the core Discretionary Council Tax Payment (DCTP) Scheme. These were considered on the individual

merits of each case in accordance with the Council’s policy and reflect a more generous approach agreed by the Council for 2023/24 only.

4.2 Discretionary Council Tax Payments – 2024/25

- 4.2.1 By 30 June 2024, £357k has been paid out to support 432 care-leaver cases.
- 4.2.2 £27k has been paid to 225 households under the core Discretionary Council Tax Payment (DCTP) Scheme. These have been considered on the individual merits of each case in accordance with the Council’s policy.

Discretionary Housing Payments

4.3 Local Housing Allowance rates

- 4.3.1 In April 2020, as a result of covid, the government increased the Local Housing Allowance (LHA) rates on which Housing Benefit is based. The LHA rates were increased again from April 2024 as a response to the cost of living crisis. In both instances the rates were adjusted to meet the 30th percentile of the rented properties in the LHA area. The value of the latest increases will start to reduce if further uprating of LHA rates is not applied in future years. This has an impact on ongoing demand for DHP.
- 4.3.2 Table 3 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 2024	£94.72	£178.36	£201.37	£218.63	£310.68
Southern	Shared	One Bed	Two Bed	Three Bed	Four Bed
April 2024	£94.72	£143.84	£172.60	£207.12	£322.19

(Table 3.)

4.4 Managing demand for Discretionary Housing Payments

- 4.4.1 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; responding to the additional challenges presented by the increases in private rent levels; and assistance for residents in homelessness accommodation to address rent arrears that may otherwise constrain move on options. Each application is considered on the circumstances of the case.
- 4.4.2 Rent increases in the private rented sector in Manchester means that fewer properties are affordable and available to households claiming Housing Benefit or Universal Credit (Housing Element). We are working closely with Housing colleagues on a case-by-case basis to support residents to maintain tenancies and prevent homelessness.

4.5 Discretionary Housing Payments 2023/24

- 4.5.1 In 2023/24, the total DHP budget was £2.646m, this was made up of £1.396m Government Grant, and £1.25m mainstream Council resources.
- 4.5.2 2,359 awards were made to households in response to 4,341 applications representing a total of £2.611m in payments. 897 of the awards were in response to households subject to the under occupation rules and 118 were to support households subject to the benefit cap.
- 4.5.3 Of the 4,341 applications dealt with, 3,171 were from UC claimants (73%), 997 were from people in receipt of HB (23%) and 173 were from people receiving neither type of benefit and so not eligible for consideration.
- 4.5.4 1,531 applications were from private tenants who had a shortfall in their Housing Benefit or Universal Credit due to the Local Housing Allowance rate. 964 of these were awarded DHP (63%).
- 4.5.5 From 16 August 2023 we started additional monitoring of DHP expenditure to pick up the weekly amount awarded to private tenants. Between 16 August 2023 and 31 March 2024 57% of DHP paid out was directed to private tenant cases representing a total of £1.008m.

4.6 Discretionary Housing Payments 2024/25

- 4.6.1 The total DHP budget for 2024/25 is £2.696m, and this is made up of Government grant of £1.396m, unchanged from 2023/24 and mainstream Council resources of £1.3m.
- 4.6.2 At 30 June 2024 we have made awards to 660 households in response to 1,368 applications. 231 of those paid are in response to under occupation reductions and 34 to benefit cap reductions.
- 4.6.3 We have processed 488 applications from private tenants who had a shortfall in their Housing Benefit or Universal Credit due to the LHA rate and paid 288 (59%). During this period £488,953 was paid out to private tenants representing 60% of payments issued and received at this point.
- 4.6.4 At 30 June 2024 we have paid and committed £1.384m of the overall budget. This is higher than at the same point in the previous year and it is forecast that the full DHP budget will be utilised in 2024/25.

4.7 Welfare Provision Scheme

2023/24

- 4.7.1 Demand for support from the core WPS was moderated by HSF4 support during 2023/24. Spend reflected cost of living pressures and the number of households moving from temporary homelessness accommodation into general needs housing where WPS support is provided.

4.7.2 Spend against reported application reasons for 1 April 2023 to 31 March 2024 is shown below:

Reason for Application	Number Approved	Value of Awards
Moving Home / Resettlement	1,566	£777,552
Other Reason (fuel / cash)	2,333	£142,326
Carers Emergency Fund	787	£92,736
Disaster	457	£33,502
Travel	29	£1,231
Total	5,172	£1,045,347

(Table 4.)

4.7.3 The Carers Emergency Fund element of the WPS service was developed in consultation with Carers Manchester Contact Point (CMCP), Manchester Carers' Forum and Carers' Commissioning. Access to this £100k budget is directed through the CMCP and Carers Team.

2024/25

4.7.4 In response to recent years' WPS demand the core Welfare Provision Scheme budget is now set at £1.3m. Spend against reported application reasons for 1 April to 30 June 2024 is shown below:

Reason for Application	Number Approved	Value of Awards
Moving Home / Resettlement	376	£199,366
Other Reason (fuel / cash)	492	£24,438
Carers Emergency Fund	256	£41,275
Disaster	85	£5,879
Travel	5	£180
Total	1,214	£271,138

(Table 5.)

4.7.5 To date demand and spend is broadly in line with expectations. Mindful of ongoing cost of living pressures, and while awaiting a decision about any further extension of the Household Support Fund, it is possible that demand will increase over the autumn and winter months.

4.7.6 Demand for WPS support is difficult to project because it is subject to factors outside of the Council's control. As noted in 2023/24 demand was moderated by HSF4 support and other Government Cost of Living payments. If holiday Free School Meals support ends following the summer holidays due to the loss of further HSF funding it is possible that demand for WPS support will increase.

4.8 Food Poverty

2023/24

- 4.8.1 The 2023/24 budget of £100k was augmented by a further £100k carried over from 2022/23.
- 4.8.2 During the summer £3,000 was allocated to every ward in the city in order to help alleviate food poverty. The process was administered through Neighbourhood Managers in consultation with local Elected Members, with additional advice available, where required, from the Our Manchester Food Partnership Team.
- 4.8.3 The same process was followed during the autumn / winter to allocate the second £100k pot.
- 4.8.4 A total of £177k was spent providing food support during 2023/24.

2024/25

- 4.8.5 £100k is available for allocation in 2024/25. Neighbourhood Managers are currently reviewing the process, prior to making allocation.

5.0 Benefits administration

5.1 Caseload

Housing Benefit Caseload

- 5.1.1 Universal Credit (UC) was first introduced in Manchester in September 2014. This began as an incremental process, widening in scope up to 25 July 2018 where UC 'Full Service' (applying to all new working age claims for most benefits) was in force across the city.
- 5.1.2 This transition from legacy benefits, including Housing Benefit, has been managed by directing new claims for benefits from working-age people (including most situations where there has been a break in entitlement) onto UC. On 1 August 2018 the Housing Benefit caseload stood at 51,002 with 37,193 working-age claims and 13,809 pension-age claims. On 30 June 2024 the Housing Benefit caseload was 27,795 with 15,810 working-age claims and 11,985 pension-age claims.
- 5.1.3 The DWP are now moving to a UC 'managed migration' (UCMM) process to transition working-age people on legacy benefits onto UC. The Council engaged in a UCMM pilot between September 2023 and March 2024 where around 700 HB cases were migrated to UC. The early engagement in UCMM meant that residents had access to a greater level of support from DWP in transferring from HB onto UC. It also allowed the Council's Benefits Service to establish a good understanding of the process and to be well prepared for the national roll out of UCMM from April 2024.
- 5.1.4 Between April and September 2024 households on the following legacy benefits will be contacted by DWP and advised to claim UC: Child Tax Credit; Housing Benefit; Income Support; income-based JSA; income-related ESA

(with dependents); and Working Tax Credit. Around 3,600 HB cases are expected to migrate to UC during this period.

- 5.1.5 A further 8,800 households on income-related ESA (without dependents) will then be moved to UC between September 2024 and March 2026.
- 5.1.6 Based on current caseload numbers and assuming the UCMM programme is delivered to the timescale indicated we expect to have a working-age HB caseload of c4,000 by April 2026; a pension-age HB caseload of c11,800 and a CTS caseload of c45,500.
- 5.1.7 Headline caseload figures from June 2023 to June 2024 are shown in table 6. in Section 5.1.2 below.
- 5.1.8 The Council will continue to receive new Housing Benefit claims from residents of pension age and working-age people in temporary or supported accommodation.
- 5.1.9 It should be noted that although most working-age residents claim housing costs as part of their UC claim, applications for discretionary support for rent costs are still directed to the Council and administered through the Discretionary Housing Payment scheme.

Council Tax Support Caseload

- 5.1.10 The pandemic saw the Council Tax Support (CTS) caseload rise from 50,609 on 1 April 2020 to a peak of 53,387 at 1 September 2020. At 30 June 2024 the CTS caseload was 46,979.
- 5.1.11 Table 6. shows the Housing Benefit and CTS caseload from June 2023 to June 2024. NB 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.

	30 Jun 23	30 Sep 23	31 Dec 23	31 Mar 24	30 Jun 24
Total Caseload HB / CTS	53,409	53,290	53,114	52,453	52,283
HB live claims	30,441	29,995	29,389	28,661	27,795
(Social Housing)	26,047	25,770	25,347	24,812	24,226
(Private)	4,394	4,225	4,042	3,849	3,569
CTS live claims	47,799	47,701	47,501	46,869	46,979
Claiming Universal Credit	18,770	19,159	19,645	19,972	20,616

(Table 6.)

5.2 Speed of processing

- 5.2.1 While supporting other functions in response to cost-of-living schemes, Benefits Operations have maintained good average speed of processing outcomes helping to ensure that residents received timely financial support:

HB & CTS	2023/24				2024/25
	Q1	Q2	Q3	Q4	Q1
New claim – avg days	20.64	18.39	19.08	20.08	21.20
Changes - avg days	6.76	8.00	7.97	4.46	4.88

(Table 7)

5.2.2 Average end to end processing times for HB and CTS new claims was maintained at a consistent level during 2023/24 with a final reported outturn of 19.54 days. This shows a moderate improvement in comparison to the 2022/23 outturn of 20.25 days. It is anticipated that the slight dip during the first quarter of the current year will be reversed over future quarters.

5.3 Council Tax Support Scheme

5.3.1 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.

5.3.2 From April 2024 the Council's scheme provides means tested support to working age residents of up to 85% of the Council Tax that is due. The Council consulted on the proposed changes in 2023/24 and received support to increase the maximum level of support from 82.5% to 85%; and to increase the maximum period of backdating to 12 months.

5.3.3 Government has determined that pensioners must 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.

5.3.4 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.

5.3.5 The tables at Appendix One provide this data split by Council Tax band by claimant numbers.

5.3.6 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 continues to look for opportunities to make the process of claiming CTS as simple as possible. This includes linking into the DWP UC claim process and using UC claim details.

5.3.7 Council Tax Support cost the Council £36.7m in 2023/24 (excluding the cost to other major preceptors which increases the total cost of the scheme to £44.7m per year).

5.3.8 In 2024/25 Council Tax Support is forecast to cost the Council £38.3m (excluding the cost to other major preceptors which increases the total cost of the scheme to £46.7m per year). Any increase in Council Tax charged results in the same percentage increase in the costs of the scheme.

6.0 Covid Business support administered by the Council

6.1. Following on from the variety of schemes operated through 2020/21, 2021/22 and 2022/23, the Council continued to administer the 75% retail, hospitality and leisure relief to support businesses and help mitigate the impact of the cost-of-living crisis. This relief is paid 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. The government fully refunds this relief to the Council.

6.2 During 2023/24, 2,590 businesses received £33.88 million from this scheme. It has been continued into 2024/25.

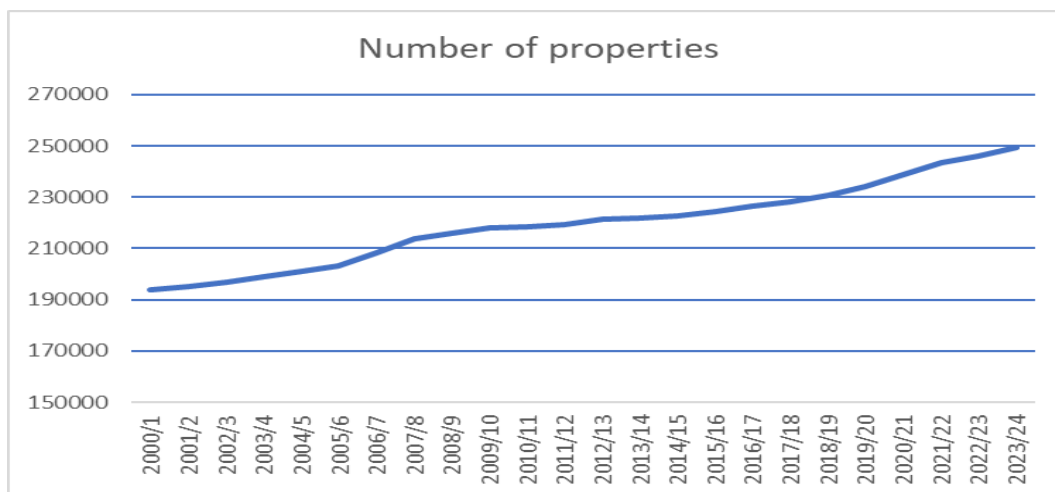
7.0 Performance in the collection of Council Tax and how we balance collection whilst working in an ethical way and supporting those residents on a low income

7.1 Background

7.1.1 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 properties.

7.2 Properties in the city

7.2.1 The number of properties within the city has been increasing annually and has increased from 192,588 in 2000, to 249,465 at the end of June 2024, a 29.5% increase.



(Chart 1)

7.2.2 55% of the properties in the city are in band A, with 95.4% being in bands A-D (inclusive) and less than 1% (1,405 properties) are in the top two bands of G and H (June 2023).

7.2.3 A full breakdown of properties split into bands and across wards based on March 2024 data is shown as appendix two.

7.3 Council Tax Debit

7.3.1 The following table shows data across the last five 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	245,844	£296,033,000	£42,504,000	£253,529,000
2023/24	248,859	£313,981,000	£50,766,000	£263,215,000

(Table 8)

*Includes £6.643 million in 2020/21 and £5.899 million in 2021/22 of covid hardship payments made by the Council.

7.4 Collection Performance

Background

7.4.1 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. The Council did see an incremental improvement in collection until the pandemic in 2020.

- 7.4.2 The level of deprivation and transience in the city 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.
- 7.4.3 The amount of arrears 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. In addition, residents abscond without paying and it takes time and effort to find them again.
- 7.4.4 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 had improved until covid in March 2020.
- 7.4.5 This has been even more important over the last 12 months due to the increased cost of living. Staff were reminded at the start of the financial year that residents are facing significant financial pressures and that this should be taken into account when establishing sustainable arrangements.
- 7.4.6 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 £4.9 million in Council Tax owed to the Council.
- 7.4.7 Ultimately the Council can apply to the Courts to make a resident bankrupt (if they owe over £5,000) or committal to prison where wilful refusal or culpable neglect are the reasons for failing to pay their Council Tax. The final decision for both these lies with the Court. Committal 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.

Collection rate and arrears collection from previous years

- 7.4.8 The following table shows the collection rates and arrears collection over recent years. Arrears collection decreased slightly in 2023/24 as resources were diverted to dealing with a build-up of correspondence that resulted from all the grant work revenues staff undertook during 2020, 2021 and 2022. 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 with a shortfall of around £600k that would have been collected through attachments of benefits.

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Collection rate	93.01%	92.81%	92.73%	90.15%	89.81%	89.22%	88.57%
Arrears collected	£6.8m	£6.2m	£7.2m	£6.4m	£9.1m	£9.6m	£8.2m

(Table 9.)

Exchanging information with HMRC

7.4.9 Under the 2017 Digital Economy Act we have been running trials with HMRC where they provide employer and earnings details for residents where we have a liability order. Two trials have collected over £2.5 million of hard-to-reach debt.

7.4.10 Negotiations are progressing slowly with the Cabinet Office and HMRC to roll this out nationally allowing us to integrate information about earnings and employers into our recovery processes. Manchester will now be one of just twelve authorities who will be able to use this process regularly, hopefully starting in the autumn of 2024, to test the systems in place. The impact on in year collection as well as arrears recovery will be significant.

7.5 Proportionate and reasonable collection methods

7.5.1 Recovery data

Where possible, based on intelligence about the city developed 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. It is only in the absence of information about, and engagement by, residents that a referral to Enforcement Agents is considered.

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.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Properties	230,896	234,284	238,807	243,478	245,603	249,235
Reminders	118,500	110,400	72,000	107,580	106,534	112,077
Summons	56,000	52,000	20,500	39,574	50,542	57,737
Bankruptcies	5	7	0	1	0	0
Committals	0	0	0	0	0	0

(Table 10.)

Although the number of properties has been rising year on year and the number of CTS claimants reducing, pre-pandemic there was a downward

trend in the number of accounts receiving reminders and summons. Recovery activity was significantly reduced during the pandemic and cost of living crisis, but the number of summons issued in 2023/24 has increased as we tackle non-payment over the last 4 years.

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. The aim is that we engage with residents in the most effective way and build a relationship that avoids costs and escalation wherever possible.

There are still limited court slots being made available for Liability Order hearings at the Magistrates Court. This slows down our attempts to take prompt recovery action.

Over the last six years there have been 13 residents made bankrupt and none have been committed to prison for non-payment of Council Tax.

7.5.2 Extended payment arrangements

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.

7.5.3 Direct Debit take up

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.

£178.8m (£168.4m in 2022/23) was collected by direct debit during 2023/24, an increase of 6.17% when compared with last year. This is due to the increase in the Council Tax from April 2023, as well as more residents choosing to pay by this method. The table below shows the total Council Tax due and the amount and percentage collected by direct debit at the end of March 2024:

Q4	2019/20	2020/21	2021/22	2022/23	2023/24
Total Council Tax due to the Council	£204.3m	£213.7m	£232.4m	£253.5m	£264.4m
Amount collected by Direct Debit	£130.9m	£135.2m	£149.6m	£168.4m	£178.8m
% of total debt collected by DD	64.1%	63.2%	64.4%	66.4%	67.6%

(Table 11.)

There were 217,360 live Council Tax accounts with a balance to pay, including residents in receipt of partial 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 March. Maximising Direct Debit uptake has a positive impact on collection.

Q4	2019/20	2020/21	2021/22	2022/23	2023/24
Residents with something to pay	204,484	209,834	212,816	215,640	217,360
DDs	112,271	114,774	123,448	126,127	127,141
% Paying by DD	55.0%	54.7%	58.0%	58.4%	58.5%
% change in number of DDs	1.6%	2.2%	6.0%	0.7%	0.8%

(Table 12.)

7.5.4 Improving engagement

In April 2024 we launched a new engagement tool with residents to promote contact and engagement where we hold an email address and or mobile telephone number the resident will receive a text or email to remind them that they are behind with their council tax instalments.

The SMS and email provide residents with a link to make an online payment to prevent the issue of a reminder notice or the case being passed to an Enforcement Agent for collection or speak to an account manager if required. The below table shows the number of text messages and emails sent.

2024/25	Q1	Q2	Q3	Q4
Pre Enforcement Agent	66,749			

Over the quarter, the campaign achieved notable results, with a total of 6,419 clicks on "Pay Your Council Tax" links, 1,068 clicks on direct debit setup, and 1,270 clicks on various forms. These figures highlight the tool's potential to drive timely payments and improve communication efficiency. Moving forward, we will focus on enhancing visibility for cost-of-living support and promoting direct debit options to further leverage Telsolutions' capabilities in resident engagement and support.

7.6 Additional flexibilities

7.6.1 A report went to the Executive Committee on 28 June 2023 recommending further flexibilities in the way we collect and recover Council Tax during the cost-of-living crisis. These are all aimed at helping residents at least maintain their normal monthly instalment for the current year's Council Tax. Flexibilities included:

- A more generous approach to writing of historical summons costs for residents in receipt of maximum CTS
- Writing off the most recent summons costs when a resident engages with the Council and makes an arrangement to clear their Council Tax

- Spreading repayment arrangements beyond the end of the financial year so long as the usual monthly instalment is paid
- A more generous approach to making discretionary hardship payments through the DCTP scheme.
- Introducing our own informal breathing space scheme where a resident is referred to us by an advice agency or Councillor or where they are engaging with recovery staff who think that it would be appropriate.

7.6.2 Writing off summons costs and a more generous approach to the DCTP scheme have been replaced from April 2024 by the increase in the maximum CTS paid to working age residents from 82.5% to 85%. Longer payment arrangements and the informal breathing space are still being offered to residents who engage.

7.7 Enforcement Agents

7.7.0 A fundamental review of the feasibility of ending the use Enforcement Agents was carried out at the request of this Committee. The outcome was to continue to use Enforcement Agents, but to no longer refer cases to them where the resident is in receipt of any Council Tax Support. Previously it was only residents in receipt of maximum Council Tax Support who were not referred to Enforcement Agents

7.7.1 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 11,668 in 2022/23. 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 Enforcement Agents, emphasising the costs that could be incurred and urging the resident to engage.
- Improving the intelligence that is held, most recently by analysing information about residents' payment habits and only issuing cases where residents are clearly paying all their other liabilities, or where there is no information. This has reduced the number of cases passed significantly over the last 6 months.

The information exchange with HMRC will feed into this process, allowing us to take firm action if residents do not engage and make arrangements knowing their true level of earnings when they do.

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

7.7.3 Management of Enforcement Agent costs

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

- The first letter issued by the Enforcement Agent company does not result in the addition of fees
- Enforcement Agents must write and phone at least six 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).
- Costs are set by Central Government and have not increased since 2013.
- 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.

The Council is keen to avoid the use of Enforcement Agents where possible, but when residents do not respond to any of the multiple communications issued by the Council and where we hold no information about them, there is no other effective means of collection than a referral to Enforcement Agents.

7.8 Care Leavers' Discount

- 7.8.1 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.
- 7.8.2 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.

- 7.8.3 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.

7.9 Working with partners

7.9.1 The Oasis Centre, Gorton and Gateway M40

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. A similar scheme is now in place with Gateway M40 and we continue to look for other organisations to partner with. The CAB have always had direct contact with staff in the back office.

7.9.2 Acorn and Debt Justice

Following representations from Acorn around the Council's use of Enforcement Agents and that the tone of our recovery letters may be deemed intimidating and counterproductive, we have:

- Stopped referring any resident in receipt of Council Tax Support to Enforcement Agents. Previously it was only residents in receipt of maximum CTS that were not referred. This was the outcome following a detailed feasibility study into the Council's use of Enforcement Agents in the collection of Council Tax, which was completed and reported back to the committee earlier this year.
- Reviewed all of our automatic recovery letters with input from Acorn and Debt Justice, as well as colleagues from Citizens Advice and other identified key representatives and stakeholders from across the Council. The new versions are intended to be less intimidating and clearer on the help we can offer to those struggling to pay their Council Tax.

8.0 Performance in the administration collection of Business Rates

8.1 Business Rates in the city

There are 26,964 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

8.1.1 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 stadiums, hospitals and airports. The government then decides on the Business Rates multiplier which is applied to the RV. The Business Rates multiplier is currently 54.6 pence (49.9 pence for small businesses) so a business with an RV of £100,000 will pay £54,600 in Business Rates this year (2024/25).

The most recent Business Rates revaluation was completed in March 2023. 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.

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.

Businesses in the retail, hospitality and leisure sectors received 50% relief during 2022/23 and 75% relief in 2023/24. For 2024/25 the figure remains at 75%.

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.

8.2 Collection Performance

8.2.1 At the end of March 2024, £332.5 million of the current year's Business Rates had been collected, 97.74% of the total amount due. This compares favourably to the years of the pandemic (2.9% more than at March 2021 and 9.76% more than at March 2020). It is 0.11% ahead of the figure at the end of March 2019.

9.0 Strengthening of practical support for residents struggling to pay their Council Tax

- 9.1 The Unit is taking steps to strengthen the provision of practical support to residents facing cost of living pressures and who are struggling to make or maintain council tax payments. The key responses, which are not covered elsewhere in the report, are set out below:
- 9.2 The introduction of five Financial Wellbeing Officers (FWO), a new role, which are expected to be operating by the new year. This role will assist in maximising the income of residents and the Council. FWO's will conduct thorough assessments of residents' financial situations and needs to determine welfare benefits they may be entitled to; assist residents in completing benefit application forms and providing supporting evidence; and signpost people to advice agencies for budgeting/money advice. FWO's will proactively engage with residents to negotiate payment plans, instalment arrangements, and repayment options tailored to their financial circumstances. The focus is to bring a strength-based approach to engagement and to help households take and maintain sustainable steps towards managing their finances.
- 9.3 It is hoped that, as automation of Council Tax processes frees up resources, this team can be increased and have a greater impact on residents' welfare and Council Tax collection.

10.0 Conclusions

- 10.1 In conclusion, performance across the Revenues and Benefits Unit has been largely maintained or improved. While the Council Tax Service has struggled to increase collection back to pre-pandemic levels, new initiatives taken forward by the service as set out earlier in this report are anticipated to sustainably increase Council Tax collection levels.
- 10.2 Colleagues and teams have risen to the continuing challenges of the cost-of-living crisis, and system and scheme developments with energy, resilience, and creativity. These achievements, focussed upon delivering the best services for Manchester residents and businesses offer evidence and assurance of the care and commitment shown every day across the Revenues and Benefits Unit.

11.0 Recommendations

- 11.1 The Committee is recommended to Consider and comment on the information in the report.

12.0 Appendices

Appendix 1 – Council Tax Support data by ward and claimant at 30.06.24
Appendix 2 – Number of properties by ward and band (as at 30.06.2024)
Appendix 3 – Vulnerability criteria