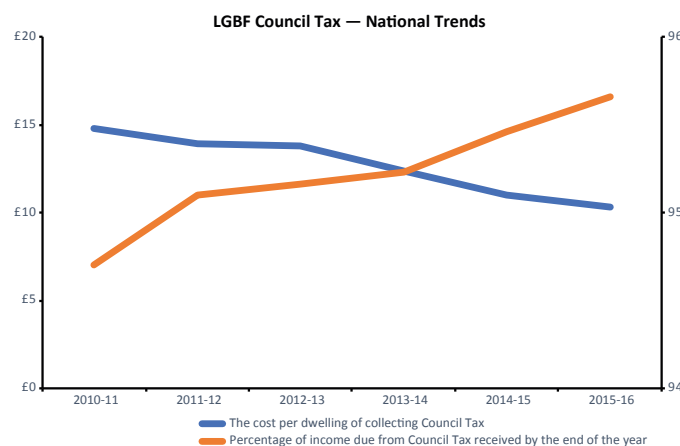


# Council Tax Briefing 2017

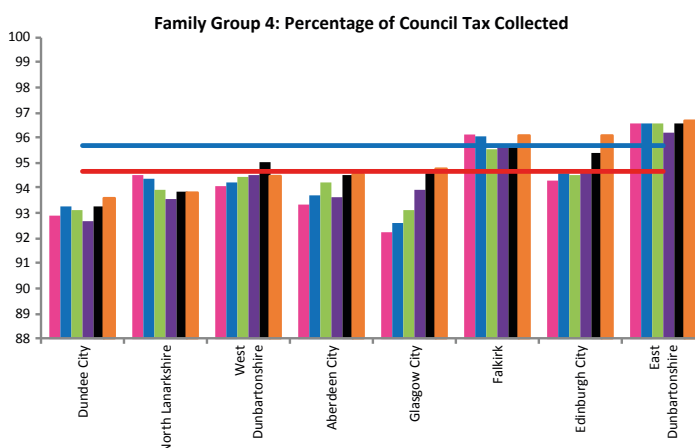
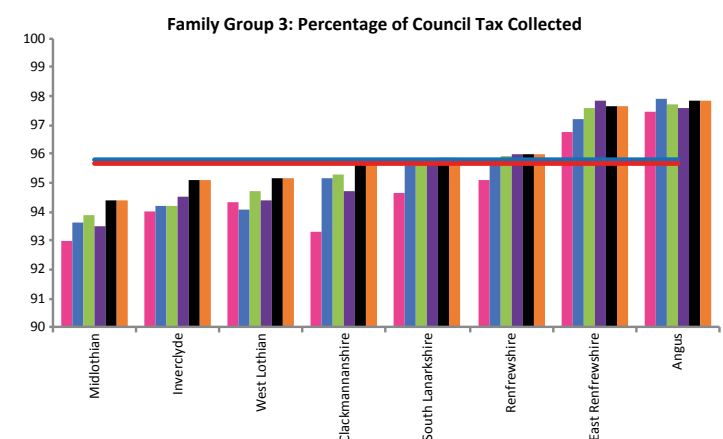
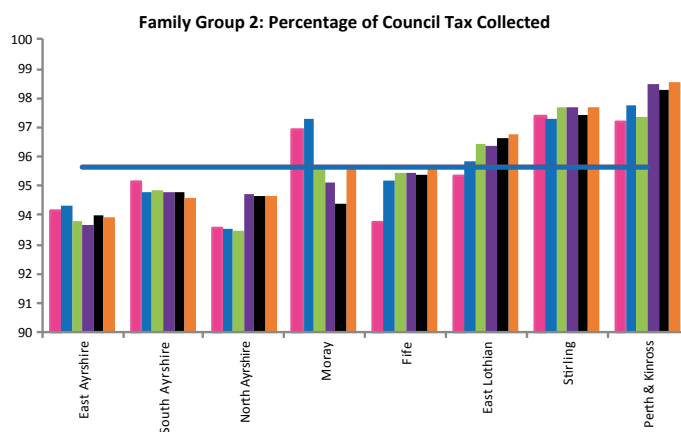
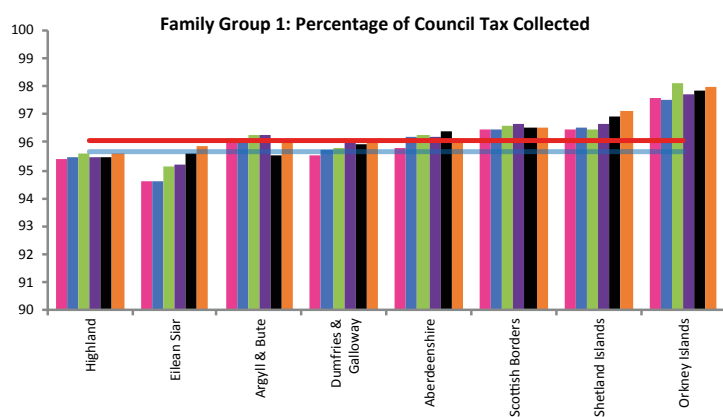
Council tax services are an excellent illustration of where local government has delivered significant efficiencies against year on year improvements in performance.

A key factor driving the reduction in costs is the continued digital transformation and shift to embrace new technology and automation. Over the six-year period from 2010/11 to 2015/16, costs have reduced by 30.2%, from £14.81 to £10.34, with the reduction accelerating in recent years. At the same time, the overall rate of in-year collection for council tax has remained high and shown steady improvement from 94.7% in 2010/11 to 95.7% in 2015/16. This has been achieved despite the challenges created by a difficult economic climate and significant welfare reform. The roll-out of Universal Credit is likely to further exacerbate this over the coming period.

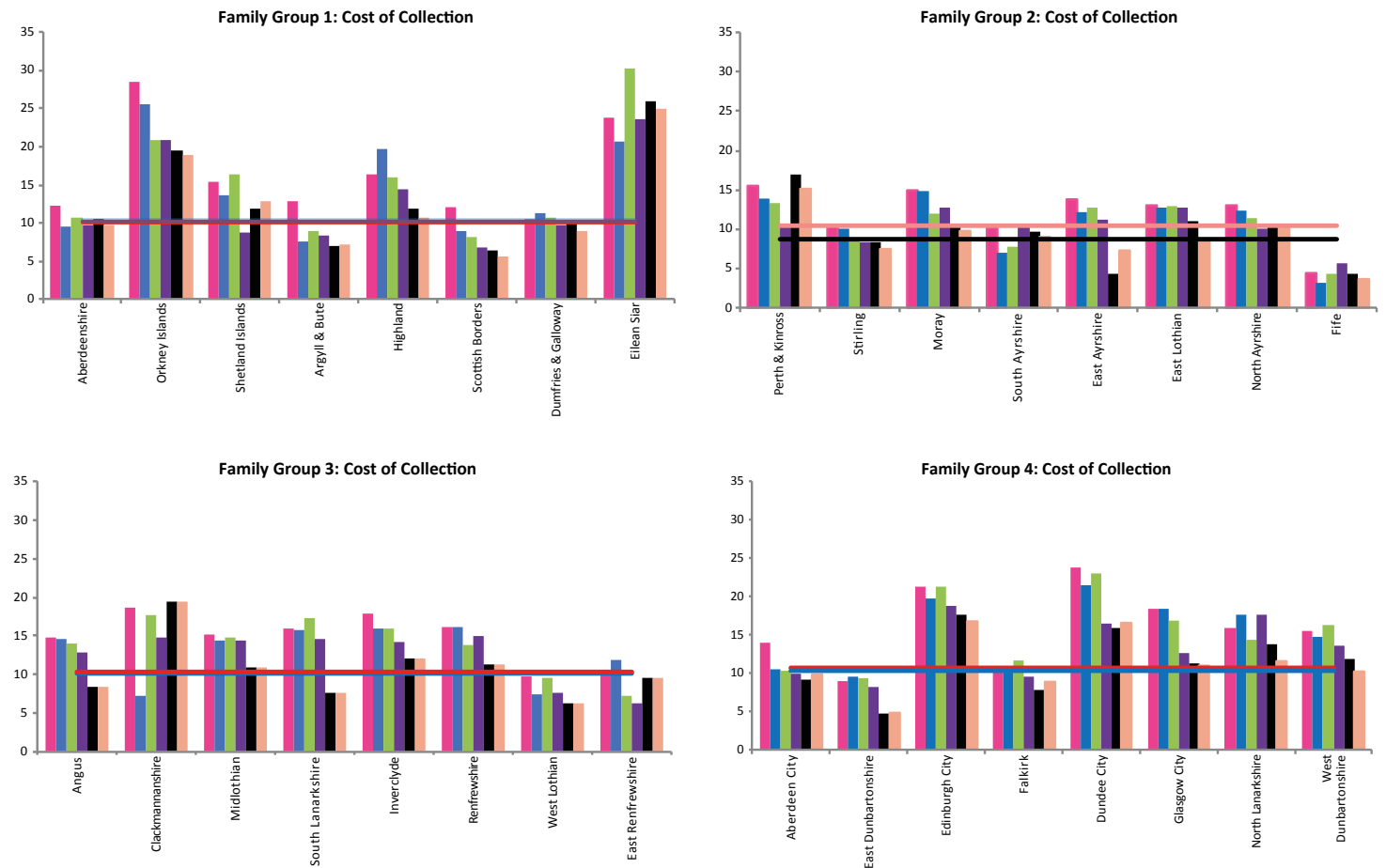
There is significant variability within councils however, with costs ranging from £3.65 to £24.98, and collection rate ranging from 93.6% to 98.5%. Medium-sized councils report the lowest costs, with urban and more deprived council areas reporting the lowest collection levels. The collection rates also vary by council tax banding, with lower collection rates achieved for properties in the lowest value council tax bandings (A-D). Therefore, councils with a lower proportion of properties in the lowest value council tax banding have on average a higher collection rate. This trend is consistent across all years. Variation by family group is presented below with councils grouped according to rurality.



## Collection rate by family group



## Cost of collection by family group



Work within family groups has identified the following features of local policy and procedure as important in further understanding the variation between authorities in council tax performance:

- Channel shift to greater automation and self-service (both customer facing and back office)
- Structural variations in relation to council owned or transferred housing stock and the impact of discount/exception/CTR take-up on collection
- Procedural variations such as:
  - Local set ups – Revenues and Benefits, shared service etc
  - Impact of annual/regular billing regimes on subsequent collection and recovery
  - Types/variety of accessible payment options, particularly the level of Direct Debit payment
  - Follow-up and recovery timetables
  - Payment arrangement guidelines
  - Impact of 'Water Only' debt and success of DWP collections (including Water Direct)
  - Working with others – e.g. RSL's, educational establishments, advice Services
  - Recovery and Enforcement approaches, e.g.
- Corporate debt strategies (refunds/offsets etc)
- Inhouse recovery activity
- Pre and post warrant intervention
- Use of available diligence and enforcement actions
  - Relations with/management of third party collectors (Sheriff Officers etc)
- Asset Management and rationalisation in relation to office premises

### Learning from February 2017 Benchmarking Event

Council tax services in Scotland are evolving in line with **local strategic, political and demographic factors** to respond to a range of common challenges and reform pressures. **Channel shift** to greater automation and self-service (both customer facing and back office) is supporting the transformation of all council tax services to varying extents. **Legacy investment commitments** determine local flexibility to adapt and respond to new approaches and new technology, and corporate commitment to digital transformation can be a significant influencing factor. Increasingly, the council tax service is being **integrated** with other services including money advice and welfare rights which is delivering efficiencies but bringing new delivery challenges. Finally, there has been significant review of **recovery and enforcement** approaches such as Corporate Debt and management of Third Party Collectors to improve performance and deliver efficiencies.

## Service Re-design

All councils have undergone, or are undergoing, service reviews leading to significant service redesign. **East Ayrshire** has expanded council tax payment options and used a targeted approach, including cold calling, to improve contact with hard to reach customers and reduce administration costs. It has significantly reduced the cost of collection without any detrimental impact on collection. **Clackmannanshire** has reviewed the whole council tax process resulting in improved automation and collection rates. Many councils are also targeting effort to grow the proportion of direct debit payments, e.g. **Falkirk** offers direct debit payments on every day of the month. There is recognition that collection rates correlate with the level of deprivation in each area, although even taking this into account there is still variation which provides opportunities for learning.

**Eilean Siar** traditionally had higher costs for council tax collection with a lower collection rate. Benchmarking was undertaken with all other councils to ascertain the timescales it used for council tax debt recovery and identify options for change to increase council tax collection. Following this, the service's recovery timetables were amended resulting in an increase in recovery performance.

**Glasgow** implemented a debt management review to respond to consistently low collection rates. It introduced a Sheriff officer approach, moved away from in-house debt recovery and procured services of partners to help manage debt. It also streamed debts to give greater visibility and understanding of caseload and incentivised partners through procurement to improve performance in these debt streams. As a result, it has increased its collection rate faster than any other council in its family group, halved the number of persistent non-payers and, during the same period, it has significantly reduced the cost of collection.

Many councils have chosen a more centralised, integrated approach to providing council tax services (**North Lanarkshire, Edinburgh, Perth & Kinross**).

Water Direct has been successful for some councils (**South Lanarkshire, Inverclyde, West Lothian**) although there is agreement that sustainability through joint work with the DWP is the key challenge.

Councils across the board are looking into more efficient, innovative ways of working, including linking in with the licensing service, removing payment cards and charging for certain services, and incorporating review forms with the annual bill to save on postage. (**Dundee, Midlothian, Renfrewshire, Midlothian**)

## Digital

Channel shift to a more digital service is a key focus for almost all councils as a way to save money, improve the customer experience and increase collection rates.

Developments are often back office. **North Ayrshire Council** put together a cross-department team to deliver an e-billing project that has saved the council money and satisfied customers who wish to manage their accounts online and reduce their environmental impact. **Fife Council** has focused on channel shift by investing in digital methods such as text messaging (using Yakura) to reduce the number of council tax reminders issued, reduce the number of incoming calls received and reduce overall administration costs.

**North Lanarkshire** uses a 'one stop shop' approach where the e-form for council tax feeds directly into the back-office system. **East Renfrewshire** is planning to implement a multi view programme providing one account per customer for everything – incorporating LAGAN and MyAccount. **Renfrewshire** is implementing Robotic Process Automation, which allows updates to a variety of different systems as opposed to just one. Amongst others, **North Ayrshire** and **West Lothian** have automated key processes by introducing e-forms and e-billing.

However, many developments are also customer facing. In **Falkirk**, the council tax information booklet is now fully online. **Renfrewshire** is using a more corporate approach to grow online citizen accounts by linking in with the Education department. Additionally, most councils aim to provide online forms and accounts for council tax customers.

## Workforce

Centralisation of support services in some councils means that some services are losing technical/specialist knowledge as support becomes more general. Staff roles in council tax across Scotland are being developed, especially to incorporate increased flexibility as well as developing ICT skills (product and web development are now key for many councils.) For example, in **Midlothian** the council tax office closes for an hour once a week so that staff and teams can learn new skills and share communications. Some councils, like **Dundee**, are also trialling homeworking approaches.



### Useful Links

Presentation: [North Ayrshire e-billing](#)

Presentation: [West Lothian Digital Council Tax Services](#)

Explore the LGBF data by service, across councils and over time using the [My Local Council Tool](#)



## Case Studies

[Fife Online Account](#)

[Fife Appointment Reminders](#)

[Fife Debt Analysis](#)

[Fife Texting](#)

[North Ayrshire e-Billing](#)

[West Lothian Digital Services](#)

[Moray Cash Office Closures](#)

[Angus Risk Based Verification](#)

[Glasgow Sheriff Officers](#)