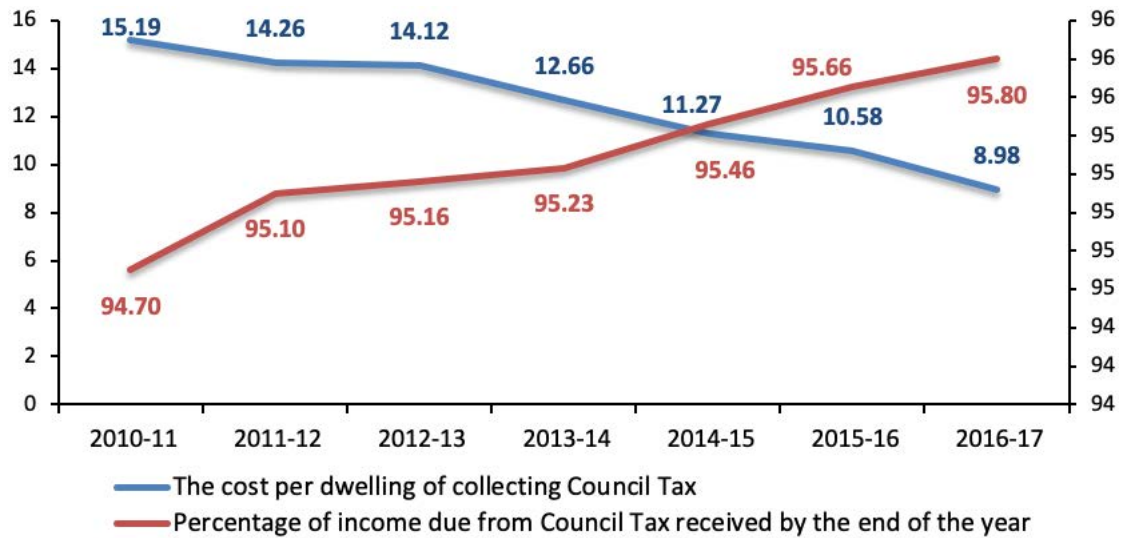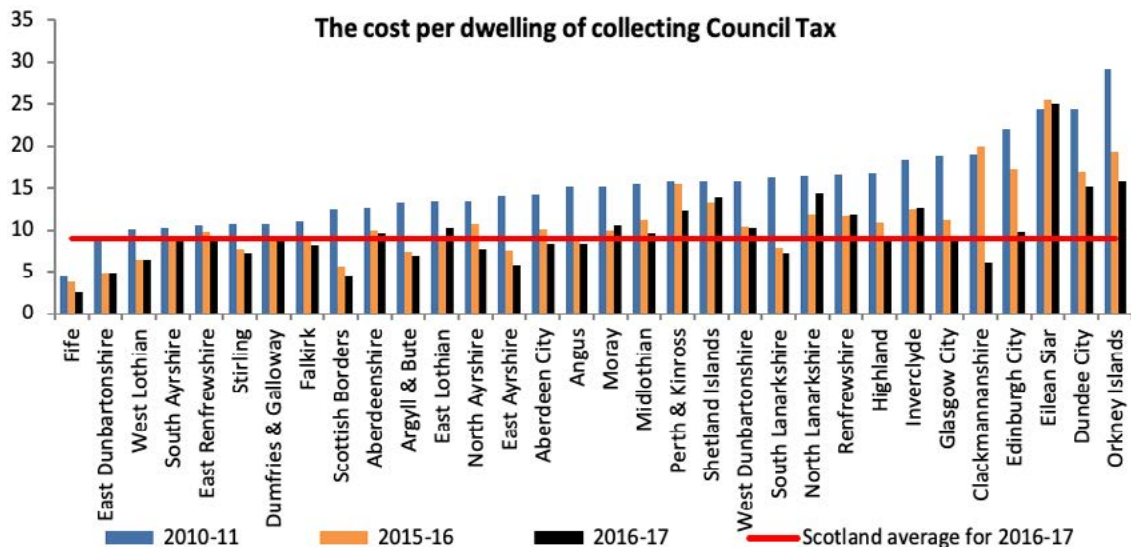# Council Tax Briefing 2018

Council tax services continue to illustrate how local government has delivered significant efficiencies against year on year improvements in performance. Over the seven-year period from 2010/11 to 2016/17 cost of collection has reduced by 40.9%, from £15.19 to £8.98. There has been a year-on-year reduction in costs, which has accelerated in recent years, reducing by 15.1% in the past 12 months alone.

— The cost per dwelling of collecting Council Tax
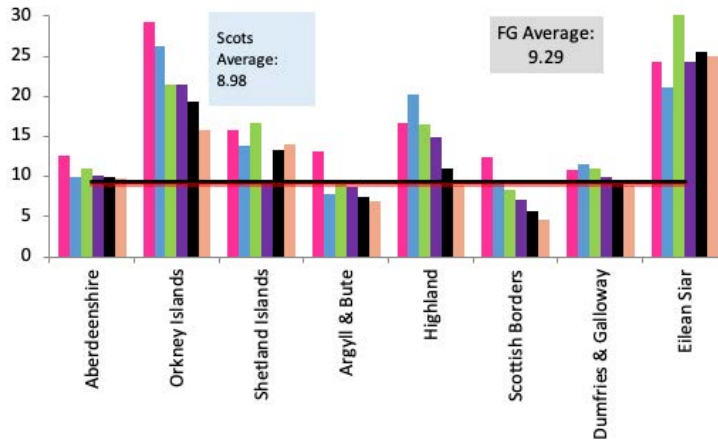— Percentage of income due from Council Tax received by the end of the year

There is significant range across councils, from £2.64 to £25.05, with smaller sized and island councils tending to report higher costs. A key factor driving the reduction in costs is the continued digital transformation and shift to embrace new technology and automation.
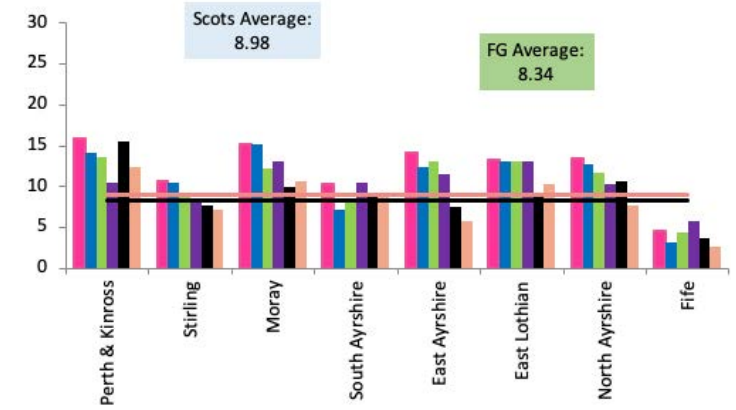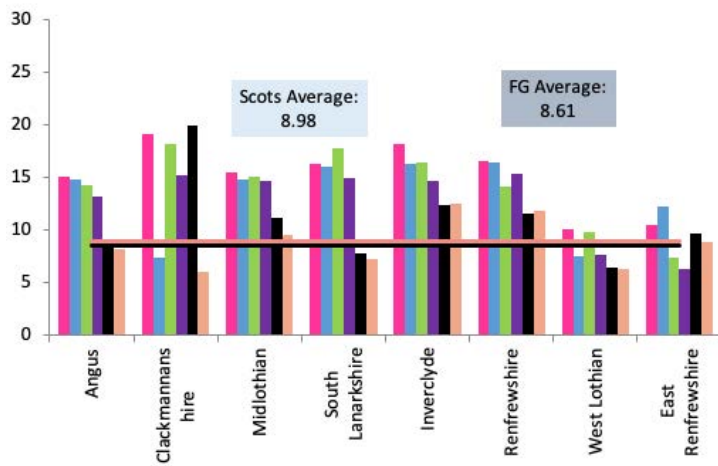

The cost per dwelling of collecting Council Tax
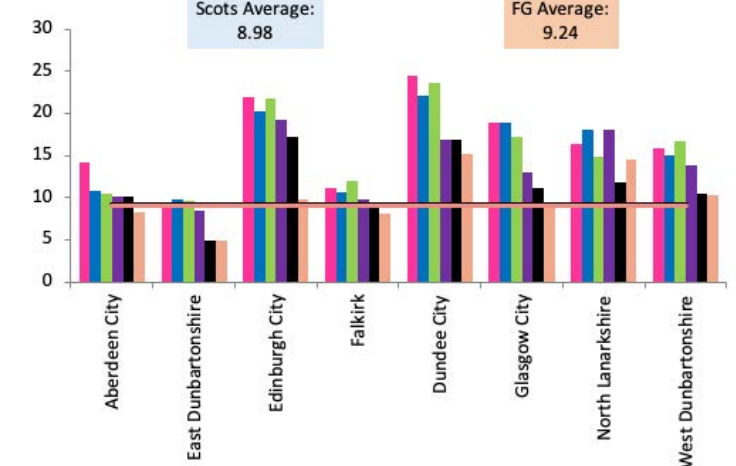■ 2010-11 ■ 2015-16 ■ 2016-17 — Scotland average for 2016-17

Family Groups: Cost per Dwelling

Family Group 1

Scots Average: 8.98

FG Average: 9.29

Family Group 2

Scots Average: 8.98

FG Average: 8.34

Family Group 3

Scots Average: 8.98

FG Average: 8.61

Family Group 4

Scots Average: 8.98

FG Average: 9.24
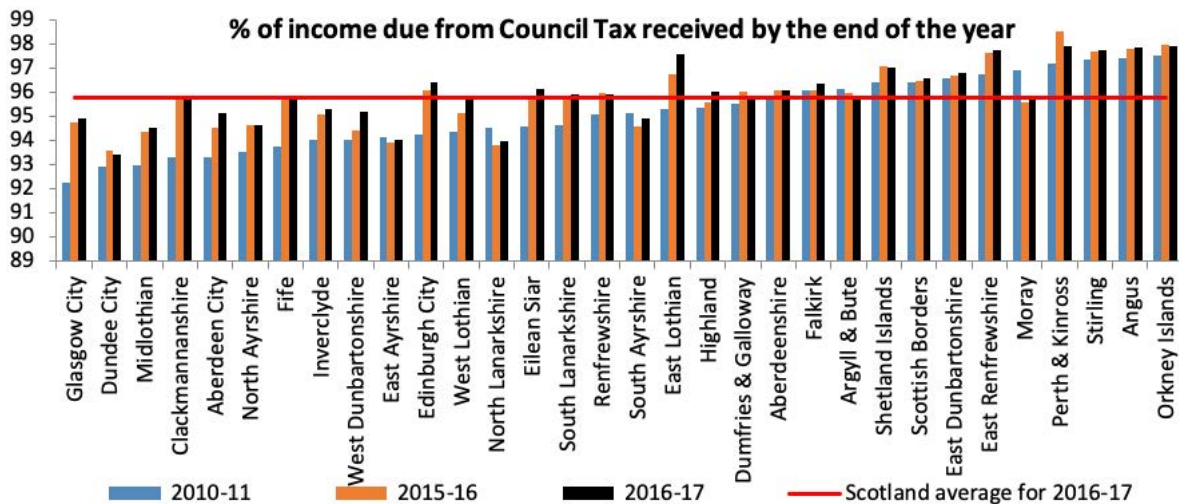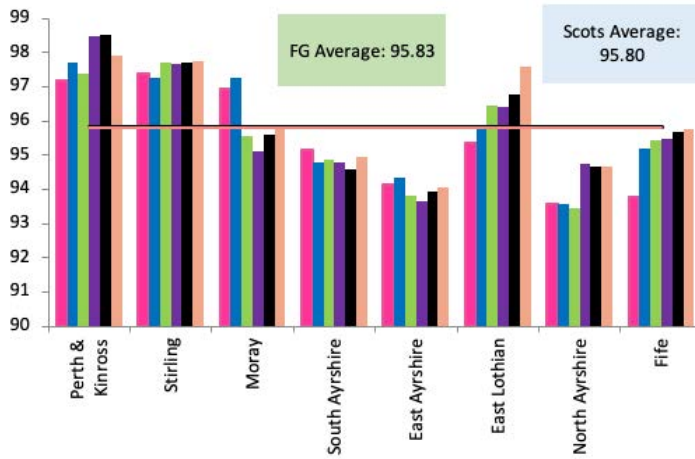
At the same time as the reduction in unit costs, the overall rate of in-year collection for council tax has remained high and shown steady improvement from 94.7% in 2010/11 to 95.8% in 2016/17. This has been achieved despite the challenges created by a difficult economic climate and significant welfare reform. The variation across councils is narrowing over time, with rates in 2016/17 ranging from 93.4% to 97.9%. Council tax collection rate shows a significant pattern in relation to rurality and level of deprivation. The roll-out of Universal Credit is likely to further exacerbate this over the coming period.
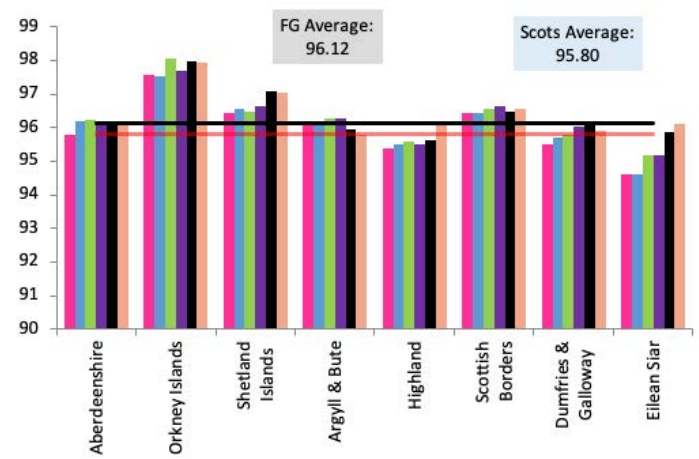

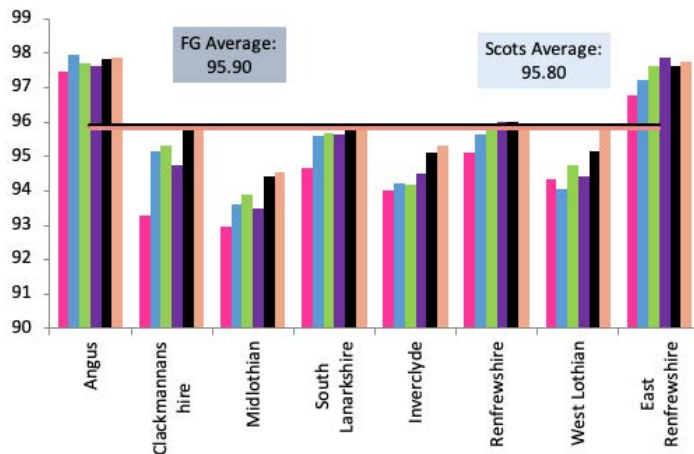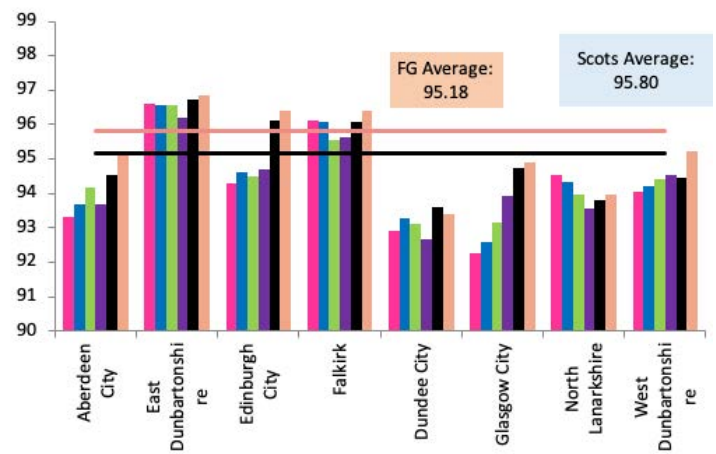% of income due from Council Tax received by the end of the year

2010-11 ■ 2015-16 ■ 2016-17 — Scotland average for 2016-17

Family Groups: Collection Rate

Family Group 1

FG Average: 95.83
Scots Average: 95.80

Family Group 2

FG Average: 96.12
Scots Average: 95.80

Family Group 3

FG Average: 95.90
Scots Average: 95.80

Family Group 4

FG Average: 95.18
Scots Average: 95.80

Previous work with Family Groups has identified the following factors as important in 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/ exemption/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 recover
  - 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 – RSL's, Educational Establishments, Advice Sector
- Recovery and Enforcement approaches, e.g.:
  - Corporate Debt strategies (refunds/offsets etc)
  - In-house 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
- Rurality - rural councils have higher collection rates (96.1% compared to 94.7% for urban and 95.6% for semi-rural authorities)
- Deprivation - the least deprived councils have higher collection rates (96.9% compared to 94.6% in the most deprived councils). The collection rates vary by council tax banding, with lower collection rates achieved for properties in the lowest value council tax bandings (A-D).

Sharing Practice—February 2018 Benchmarking Event

Increased centralisation and automation has led to a lack of entry level posts in the sector, meaning specific knowledge can be lost as senior staff move on or retire and council tax services are starting to develop ways to mitigate the effects of this.

Recovery and enforcement practices continue to be important in ensuring councils are maximising their collection rate, and targeted approaches are being implemented using data and evidence as a basis.

Councils cited the onset of **Universal Credit** as continuing to be an important factor in understanding the challenges council tax services face in maximising collection, as it places increased pressure on an already hard to reach subset of customers.

Targeted Approaches

Councils are using targeted approaches to maximise income from hard to reach debt and ensure staff and service resources are being distributed as efficiently as possible.

- **Renfrewshire**: Are currently analysing levels and make up of council tax reduction to see why take up by residents has dropped and develop approaches to increase this, including social media campaigns.

- **Falkirk**: Are working towards e-billing and will develop and bespoke database of customers payment history to assist with future planning and implementation.

- **North Ayrshire**: Analyse data by bands and by ward areas as well as other data sources across the council to use analytics to target non-payers of council tax. They take a behavioural, person centred approach to tackling the issue and link across teams such as Welfare Rights.

- **West Lothian**: Use CARS system to pull off detailed reports which profile the types of debts customers have. This means that it provides better analytical information to inform where resources should be directed. Councils agreed that this function of the CARS system was not well known and it would be useful if there could be a user group or similar established to ensure the system was being maximised to its full potential.

- **East Lothian**: Utilise the council performance team to pull off data that is used to inform changes in the service.

Staff Development

As more councils pursue the centralisation agenda, management teams are increasingly focusing on developing council tax staff in order to avoid losing specialised knowledge and expertise and maintain workforce planning as well as ensuring that staff time is used as efficiently as possible.

- **Renfrewshire**: Continue to use homeworking for staff that can carry out key tasks from home to ensure space in the office and increased productivity.

- **Midlothian**: The council tax service closes from 9-10am on a specific day every week to focus on cross team working and knowledge sharing, staff training and key work updates.

- **Dundee:** Are trialling a new homeworking approach.

- **East Lothian, Scottish Borders**: East Lothian and Scottish Borders have found modern apprenticeships useful in terms of bringing in younger people who are already familiar with new technology.

Service Development

Services continue to pursue digital transformation and embrace new technology and automation to maximise collection and efficiency.

- **Renfrewshire**: Renfrewshire Council has taken the first steps in using robotics process automation (RPA) with the implementation of a system to handle processes in its revenues and benefits operation. It has developed a small team who are trained to manage the system and is using it for two processes, with plans to extend it to others. Agile methodology was used for implementation, and a spreadsheet was developed to score criteria to choose the processes for input into the software. The team are now looking to automate the direct debit process for council tax. Looking forward, the authority will incorporate thinking on how to develop staff that are freed up from data entry tasks by the robotics process to further increase the benefits from implementing this process.

- **Falkirk**: Have embarked on a change programme and are moving to a hub format using multi-skilled front-line advisors as well as centralising clerical and support services.

- **Fife**: Along with some other councils, Fife do not send out leaflets with the annual bill and instead note within the bill that various resources can be found online. This helps to make efficiencies around printing and postage. They also currently use an API for annual billing which has resulted in a reduction of around 200 processes a day.

- **North Ayrshire, Dumfries & Galloway, Perth & Kinross**: All use Govtech for self-service rather than robotics and feel this works well for them.

- **East Lothian**: Focusing on increasing and sustaining access to the service for the whole customer base rather than focusing on shifting services online. They continue to provide services online, over the phone and by email and take multiple formats of payment level and plans. However, they have seen a 20% increase in e-billing over the last year by making the service 'opt out'.

Recovery & Enforcement

Recovery and enforcement practices continue to be important in ensuring councils are maximising their collection rate.

- **Perth & Kinross**: The council have continued to focus on increasing self- service functionality. The 'My PKC' customer portal went live in March for council tax services, and the council have worked with Angus and Dundee to develop this. Collection for small bands tends to be cash based and so focus is on increasing levels of direct debit use for this demographic. Their focus is also on breaking the cycle of debt- for example as many ways to pay are implemented as possible to encourage payment.

- **North Lanarkshire**: The service is increasing council tax automation to free up staff to focus on collections from lower council tax bands.

- **Midlothian**: Have been working with sheriff officers utilising social media to gain increased knowledge of the customer base to maximise collections.

- **Falkirk**: The service is considering options to implement the same recovery & enforcement approach as Glasgow by using multiple sheriff officers.

- **Inverclyde**: In terms of recovering debt they work with Grant Thornton (insolvency agency) on a conditional fee arrangement basis.

- **East Dunbartonshire**: Have started sending a text to customers to notify them that they will shortly receive a reminder to pay.

- **East Lothian**: Are trying to use behavioural insights and appeal to different people by using a visual approach by implementing a traffic light system for their reinforcement letters. This is still at early stages.

- **Scottish Borders, Dumfries & Galloway, Highland**: Regional procurement of Sheriff officers has been a positive step towards a more collaborative approach.

- **Dumfries and Galloway, West Lothian, Falkirk**: West Lothian shared with the group they have a joint contract in place with Falkirk and is working well as good practice is shared across the two councils by the Sheriff Officer. Similarly, Dumfries & Galloway's procurement process for appointing Sheriff Officers has been advised to go out to tender in collaboration with others.

Useful Links

- Presentation on Knowledge Hub: Lower band collection in Perth & Kinross
- Presentation on Knowledge Hub: Robotics at Renfrewshire
- Council Tax Briefing 2017
- Council Tax case studies on the LGBF website
- Explore the LGBF data by service, across councils and over time using the My Local Council Tool
- See how council services contribute to improving outcomes using the online Outcomes Tool

For further information about the Local Government Benchmarking Framework, please visit www.improvementservice.org.uk/benchmarking or email benchmarking@improvementservice.org.uk