

**Meeting** East Herts Council and Stevenage  
Borough Council Joint Revenues and  
Benefits Committee

**Portfolio Area** Resources & Transformation

**Date** 7<sup>th</sup> January 2026



## SHARED REVENUES & BENEFITS SERVICE - ANNUAL UPDATE

### NON-KEY DECISION

#### 1 PURPOSE

To update the Committee on the 2024/25 Shared Revenue and Benefits Service including, performance of the service during the year, the in-year challenges and the 2024/25 budget outturn position.

#### 2 RECOMMENDATIONS

2.1 The contents of the report be noted.

#### 3 BACKGROUND

3.1 The shared service has been in operation since August 2011.

3.2 As this report was not published last year, it now provides a detailed account of the Revenues & Benefits Shared Service's performance during 2024/25, together with an outline of future objectives and the challenges ahead and includes an update on 2025/26 to date.

## 4.1 Housing Benefit

4.1 **Housing Benefit processing. (N181)**-This performance indicator measures the average processing time for new claims and changes in circumstances, the target is set at 10 days.

4.1.1 For the 2024/25 financial year Stevenage N181 performance was 4.8 days and East Herts was 5.1 days.

The first 3 quarters of 2025/26 the N181 performance was 6 days for Stevenage and 5.5 days for East Herts. These figures illustrate the continued good performance of the shared service operation.

4.1.2 The objective of minimising processing time is twofold. Firstly, to provide a good service to our customers, but also to avoid any subsidy penalties incurred if processing delays create overpayments for the customer. These are called 'admin delays, and when combined with any LA error overpayments can result in the loss of significant subsidy. If the total value is less than 0.48% of total eligible expenditure, 100% subsidy can be claimed. If between 0.48% and 0.54% the level of subsidy falls to 40%, and anything above 0.54% would mean a loss of all subsidy on these costs. These are monitored closely throughout the year. For 2024/25 pre-audit the figures are demonstrated below confirming that 100% subsidy (pre-audit) will be claimed.

**Table 1: LA error and admin delay (pre-audit) 2024/25**

LA Error/Admin	SBC	EHC
Eligible Expenditure	£ 20,318,569	£ 21,087,330
0.48%	£ 97,529	£ 101,219
0.54%	£ 109,720	£ 113,871
Actual	£ 53,784	£ 30,394

**Table 2: LA error and admin delay 2025/26 to quarter 3**

LA Error/Admin	SBC	EHC
Eligible Expenditure	£ 11,638,016	£ 12,422,543
0.48%	£ 55,862	£ 59,628
0.54%	£ 62,845	£ 67,081
Actual	£ 13,992	£ 9,605

4.1.3 The N181 core indicator represents a significant achievement for the shared service.

4.1.4 The total post received in 2024/25 was over 146k items. (EHC 72k & SBC 74k). Post received includes things like changes in earnings, tax credits, household composition etc.

4.1.5 It is normal in the first quarter of the financial year for outstanding work levels to increase as an increase in new claims is seen after the issuing of the council tax bills for the new financial year. There is also an influx of changes in circumstances where legacy benefit awards and housing providers increase rents for the new financial year.

## **4.2 Housing Benefit Subsidy**

4.2.1 The level of HB subsidy for 2024/25 was £20m for SBC and £21m for EHDC. Subsidy levels were slightly lower than in 2023/24 due to the migration of working age cases to the Universal Credit scheme.  
The level of HB subsidy for 2025/26 so far is £11m for SBC and £12m for EHDC.

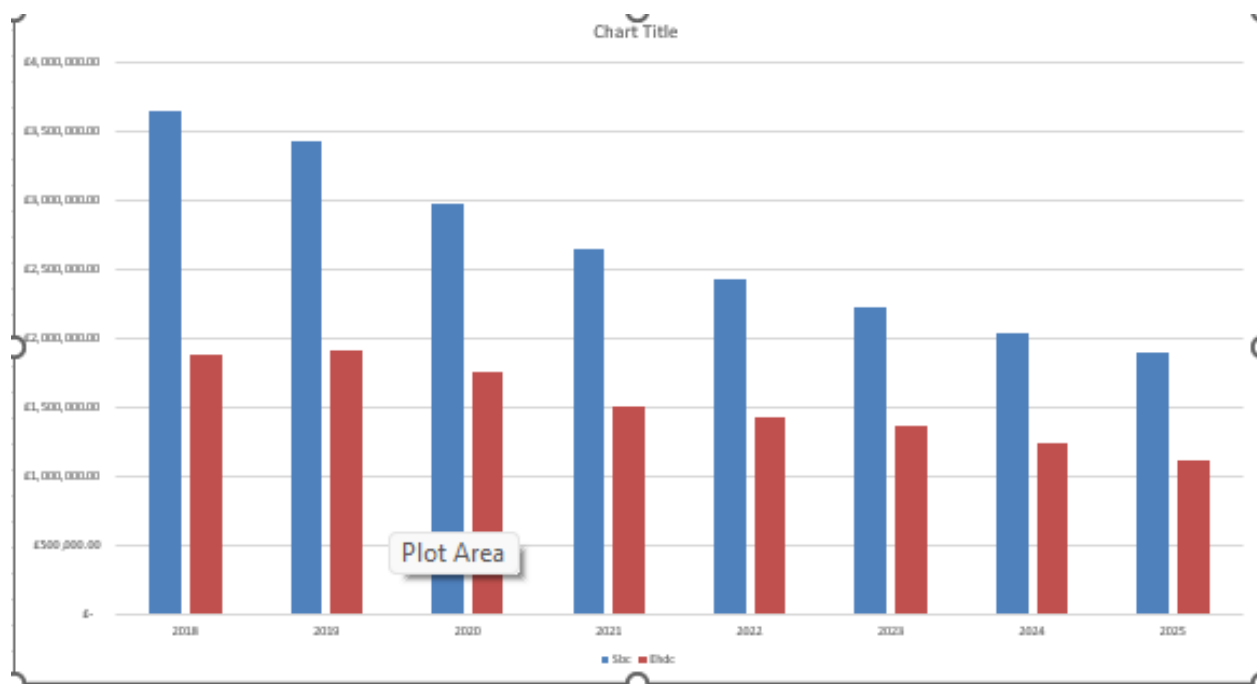
4.2.2 Some HB expenditure is not fully subsidized under DWP rules. This is normally where HB has been awarded for homeless or temporary accommodation or where overpayments have been made. For 2024/25 the subsidy 'gap' for EHDC was £244k and for SBC £356k. For 2025/26 so far the gap is £129k for East Herts and £253 for SBC.

It is worth noting that the subsidy shortfalls can be offset to some extent by the LA's ability to keep any revenue generated by the recovery of HB overpayments.

- 4.2.3 The DWP migration of HB claims onto Universal Credit (UC) will reduce the overall HB caseload for both LA's. LA's will be left with supported, temporary and bed and breakfast accommodation claims and claims from pensioners and will be subject to subsidy, (see also section 4.6)

### 4.3 HB Overpayments

- 4.3.1 With the level of awards outlined above the value of/level of overpayments is a constant pressure.



	2018	2019	2020	2021	2022	2023	2024	2025
Sbc	£ 3,633,481.67	£ 3,422,722.84	£ 2,975,102.15	£ 2,637,921.18	£ 2,423,596.39	£ 2,227,257.75	£ 2,026,864.57	£ 1,887,201.61
EhdC	£ 1,877,258.56	£ 1,901,900.93	£ 1,754,070.25	£ 1,502,467.53	£ 1,426,378.21	£ 1,366,249.62	£ 1,237,122.70	£ 1,119,303.80

- 4.3.2 In theory the Council should be able to claim 40% subsidy for each overpayment and then recover 100% of the debt. The subsidy plus recovery should cover the costs of the initial payment of benefit, costs of collection and bad debt provision. A significant proportion of debt has to be actively chased and monitored and is resource intensive.

- 4.3.3 The rates of recovery for those who remain in receipt of Housing Benefit are capped and accordingly many debts will not be repaid for significant periods. The focus is to maximise the number of debts with active recovery action in place recognising the timeframes for full recovery.
- 4.3.4 Use of HMRC data via the DWP to trace debtors and secure attachments to earnings continues. However, even the DWP/HMRC route requires considerable resources to manage, and customers are allowed to offer arrangements outside of attachment to earnings which again need careful monitoring.

**Table 3: Overview of debt status at 31 March 2025**

		Stevenage				East Herts	
ALL at 31.03.25	%	Number	Value		%	number	value
Total		1495	£1887501.61			685	£119303.80
LIVE	6.82%	102	£159468.77		8.47%	58	£130640.43
DORMANT	93.18%	1393	£1728032.84		91.53%	627	£988663.37
LIVE AND CT		63	£108919.61			0	£0.00
LIVE & PT		39	£50549.61			58	£130640.43
LIVE & FRAUD		1	£557.42			3	£4707.32
LIVE/FRAUD CT							
LIVE /FRAUD PT		1	£557.42			3	£4707.32
DORMANT CT		768	£837515.45			14	£5406.63
DORMANT PT		625	£890517.39			613	£983256.74
DORMANT FRAUD		93	£348328.31			67	£253,789.16

DORMANT/FRAUD CT		50	£159204.11			
DORMANT FRAUD PT		43	£189124.20		67	£253,789.16

Note: Dormant means that the debtor is currently not in receipt of Housing Benefit. CT = Council Tenant PT = Private tenant

4.3.5 The maximum rates of recovery set by the DWP are often reduced following negotiations with customers and their representatives where there are hardship issues.

4.3.6 There are a number of significant risks in relation to the collectability of these overpayments, and they include: -

- The majority are not in receipt of Housing Benefit following the overpayment being accrued, and recovery is therefore more complex.
- The transfer of working age claims to Universal Credit continues to reduce further the shared service's ability to recover from ongoing benefit deduction.

#### 4.4 Discretionary Housing Payments (DHP)

4.4.1 The amount of DHP grant from the DWP received each year changes, reflecting the priorities that it considers need supporting. There is no restriction on how much of the total grant is spent on each of these priorities. There is an increasing pressure on the funds from customers on universal credit (housing costs) to apply for DHP, and whilst enabling more support to be offered to customers this also puts additional administrative pressure on the officers processing these awards.

4.4.2 The DWP had determined funding allocations for the 2024/25 financial year. It is worth noting that the allocation is all made from a central unchanging pot of £100m. In real terms, therefore the value of the allocations is reduced by inflationary factors. This will inevitably create further pressure and challenges for customers and officers alike, remembering that this funding is for Housing Benefit customers as well as those in receipt of the housing element of Universal Credit.

- 4.4.3 From April 2026, DHPs will be incorporated into the Crisis Resilience Fund (CRF), delivered through a grant under section 31 of the Local Government Act 2003. Eligibility, policy objectives, funding amounts remain the same as those for DHPs in the financial year ending March 2026. The CRF signifies an opportunity to reset crisis and housing support in England and marks a shift from reacting to crises to preventing them. DHPs will be fully integrated into the CRF the financial year ending March 2029 in line with the LGR timetable.
- 4.4.4 The majority of successful awards in 2024/25 reflected pressure on households affected by the spare room subsidy restriction, and those in receipt of universal credit. This pattern is expected to continue

**Table 4: DHP applications 2024/25**

2024/25	SBC	EHC
Received	282	364
Rejected	136	206
Awards	146	158
Universal credit	91	128

**Table 5: DHP applications 2025/26 to date**

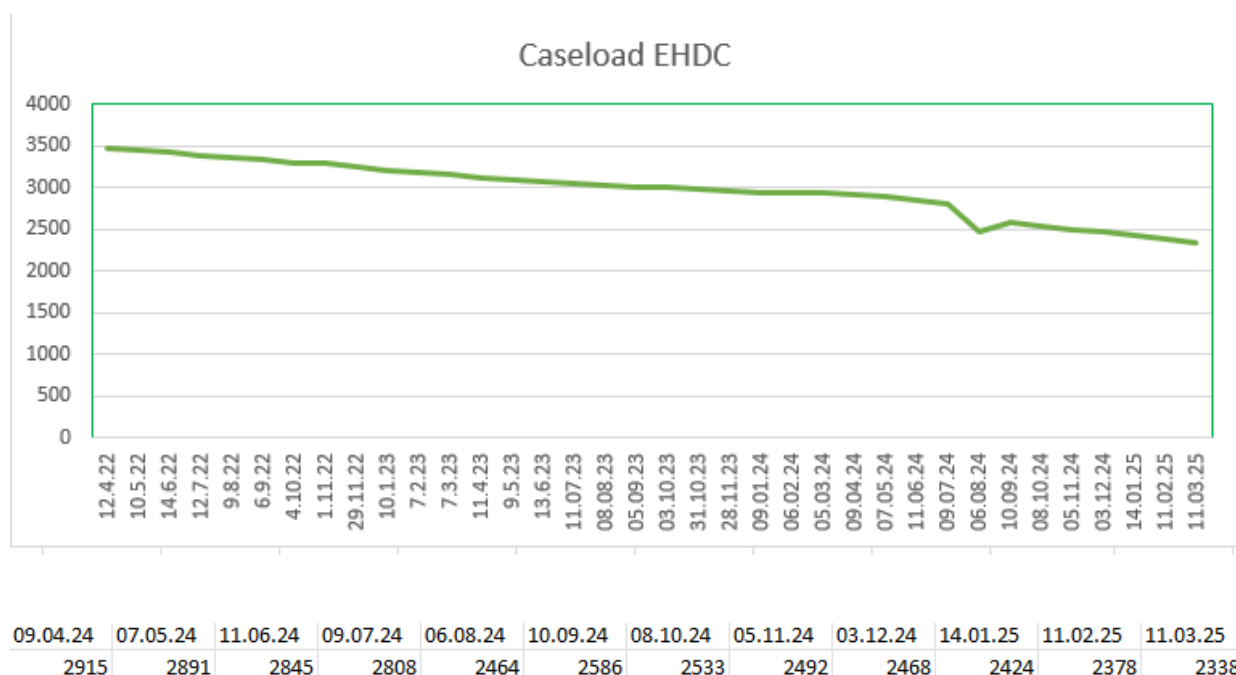
2025/26	SBC	EHC
Received	203	262
Rejected	103	104
Awards	100	158
Universal credit	89	139

## 4.5 Housing Benefit caseload

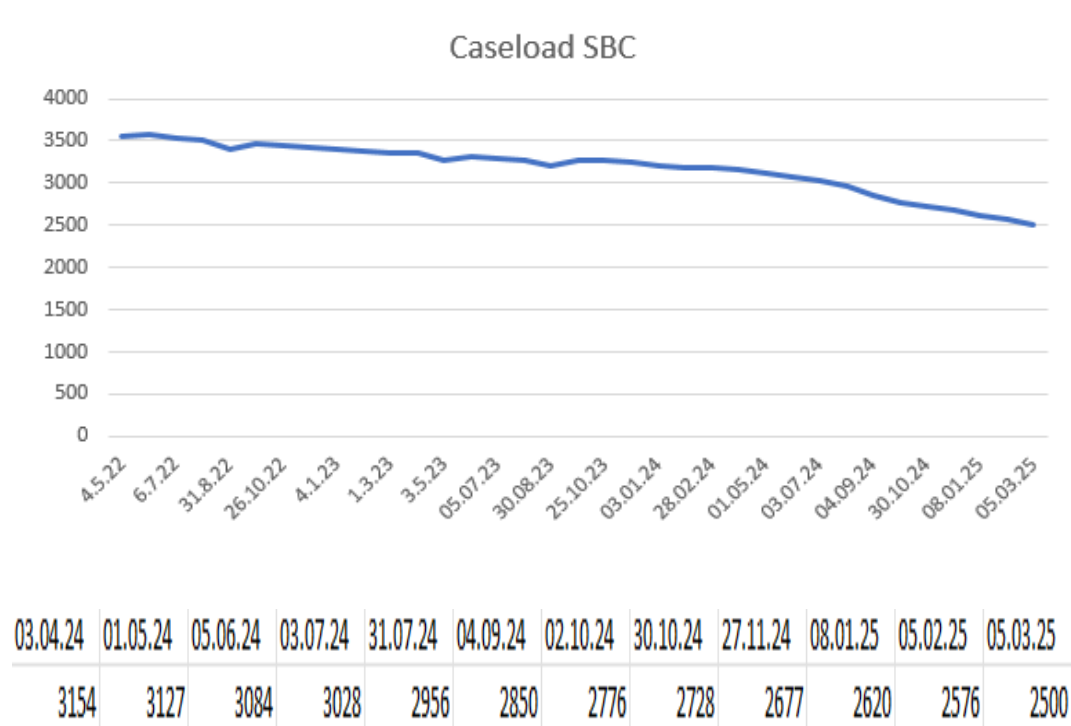
- 4.5.1 There have been changes in the Housing Benefit caseload due to the migration of a large proportion of working age cases to Universal Credit referenced above. For SBC, the HB caseload was 2,500 at the end of the financial year 2024/25, which represents a reduction of around 25% compared to 2023/24. For East Herts, the HB caseload at the end of the financial year 2024/25 was 2338, which represents a reduction of around 26% compared with 2023/24. For SBC, the HB caseload is currently 2186, which represents a reduction of around 39% compared to 2024/25. For East Herts, the HB caseload is currently 1810, which represents a reduction of around 37% compared with 2024/25. The service has been able to decrease the Benefit team by a further 2 FTE posts as a result.

4.5.2 The Housing Benefit caseload is now predominantly temporary accommodation or hostels claims. Assessments can often be complicated, especially where nightly room charges apply.

**Table 6: EHC Housing Benefit caseload movements**



**Table 7: SBC Housing Benefit caseload movements**

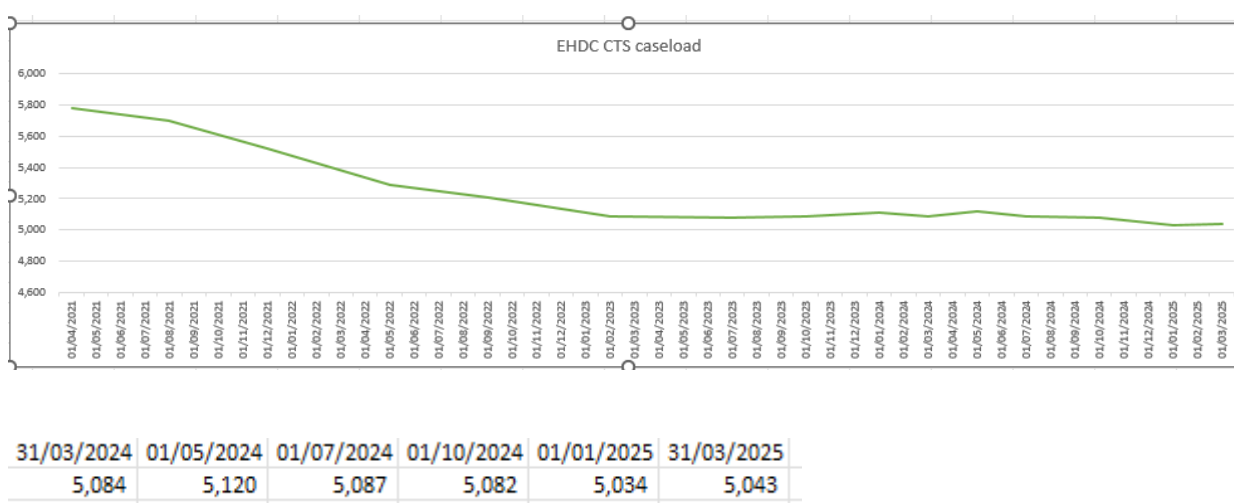




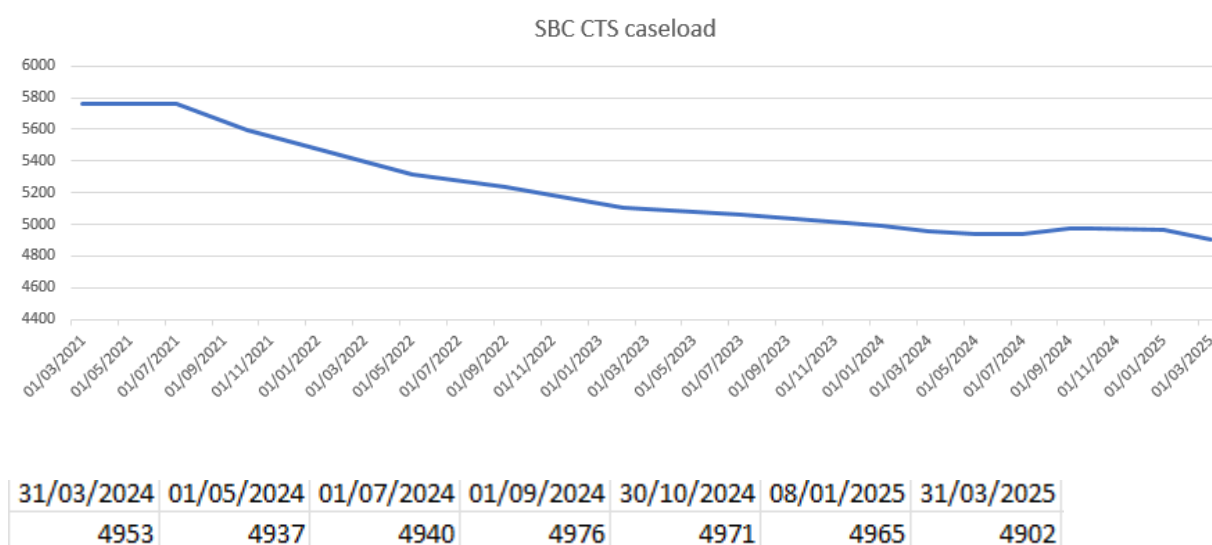
## 4.6 Council Tax Support

- 4.6.1 CTS caseload levels at the end of the 2024/25 financial year were 5.0k for SBC and 5.2k for EH. The current trend is for an increasing caseload often where claimants are in receipt of Universal Credit. CTS caseload levels have recently been increased by the recent take-up work for CTS claims. CTS caseload levels currently for the 2025/26 financial year are 5.1k for SBC and 5.2k for EH.

**Table 8: EHC CTS Caseload**



**Table 9: SBC CTS Caseload**



- 4.6.2 The collection of Council Tax Liability for CTS cases is more complex. Variations in awards generate new bills and revised collection arrangements.

- 4.6.3 Collection rates for CTS are calculated on live claims only, and accordingly are indicative of the overall position. The in-year collection rates for working age live CTS claims are shown below, compared with the overall collection rate and comparative positions in recent years.
- 4.6.4 All WA CTS reflects the overall working age CTS collection rate for live CTS claims, and MAX WA CTS reflects the collection rate for that subgroup who only pay the 8.5% liability.

**Table 10: Working Age CTS collection rates**

EHC		All WA	Max	General
		CTS	WA CTS	
2015/16		80.00%	71.40%	98.40%
2016/17		79.95%	73.18%	98.40%
2017/18		78.66%	70.49%	98.30%
2018/19		78.61%	73.70%	98.10%
2019/20		77.95%	72.42%	97.80%
2020/21		78.91%	70.13%	97.10%
2021/22		73.85%	68.48%	97.10%
2022/23		74.94%	74.98%	96.50%
2023/24		71.45%	73.53%	97.56%
2024/25		73.09%	72.14%	98.21%
SBC		All WA	Max	General
		CTS	WA CTS	
2015/16		73.13%	67.35%	96.30%
2016/17		76.50%	73.69%	96.60%
2017/18		75.39%	71.27%	96.40%
2018/19		76.69%	74.11%	96.20%
2019/20		74.04%	69.67%	96.00%
2020/21		74.24%	71.81%	95.10%
2021/22		71.46%	71.59%	94.50%
2022/23		74.36%	75.25%	94.00%
2023/24		68.73%	71.99%	98.99%
2024/25		70.54%	69.96%	99.21%

- 4.6.6 The level of arrears from this group are consequently proportionately higher per household than those not in receipt of CTS, and accordingly collection is more challenging.
- 4.6.7 Consideration was given again to adopt a Banded CTS scheme. A Banded Scheme could mean for many that income changes within a range or band would not result in a change in entitlement, within the scope of the set range. This would then mean that fewer recalculations would be necessary for recipients of CTS giving more certainty for the

claimant about the amount they would have to pay, reducing the incidences where re-billing would be necessary. This will ensure that instalment plans applicable to accounts would not need to be changed as often which would assist in the recovery of the charge.

4.6.8 The benefits of a Banded Scheme are, in summary:

- Improving customer experience, by reducing the number of bills / changes for customers, who would be able to 'move within a band' without the need to reissue their bill. This allows greater flexibility and change of circumstances without impacting the payment someone/household needs to make, as we know some household incomes varies frequently.
- Allowing changes to claimant's income without necessarily increasing the amount of council tax they need to pay within a set banding giving certainty to the bill payer.
- Improving collection rates, by reducing the number of separate bills people receive. With a less billing there is greater focus on collection and targeting/supporting those who potentially could be eligible for council tax support and evidence from other Councils that arrears are reduced.
- Reducing the 'back office' administration and processing of paper / digital bills, the resident changes still need to be processed by staff but without the additional work to bill and ensure payment

4.6.9 While the intention was to introduce a banded scheme for 2026/27 the process has taken longer than anticipated. Moving to a banded scheme incurs additional costs. In 2025/26 the Council asked other preceptors to pay a proportion of the total cost pro-rata to their share of council tax. Consideration will need to be given regarding whether to progress with a banded scheme in 2027/28 if LGR for Hertfordshire is implemented in 2028/29 as the scheme for the new unitary will need to be in place for that year. Work could continue on the scheme and a decision could be taken once the outcome of the unitary options and timetable are known.

## **4.7 Verification of Earnings and Pensions (VEP)**

4.7.1 The government's anti-fraud agenda, continues to impact on the workload of the service. Data matching is received in various forms, including the National Fraud initiative, Housing Benefit Matching Service, Self-Employment Income Support Scheme & Housing Benefit Awards Accuracy initiative. The target groups for these are high risk tenancies i.e., temporary (hostel type); earned income and self-employed.

- 4.7.2 VEP provides the service with access to earnings and pensions details online and enables verification. This latest initiative is developing so that every time a customer has a change in earnings etc. the service will receive an 'alert' and be required to amend the customer's claim.
- 4.7.3 Once again funding has been received to support LA's in obtaining resources to carry out VEP work. For 2024/25 this amounted to £42.6k. This funding is reducing each year, and we hope that the number of cases referred to us will reduce accordingly following the migration to Universal Credit for many working age claimants.
- 4.7.4 The DWP also continues to require the Councils to do ad hoc targeted work when they consider there is a high risk of fraud and error.

#### **4.8 Universal Credit**

- 4.8.1 Universal credit full service roll out started in October 2018 and has taken considerable time to move from housing benefit to UC. However, there are certain groups of HB claimants that will not, in the foreseeable future, migrate to UC, as they are deemed too complex by the government
- 4.8.2 The cases that have migrated are HB recipients who were
- receiving Tax Credits or other legacy benefits such as ESA.
  - income from employment.
  - New applications
- 4.8.3 Ultimately the Council will be left with the HB cases for supported and temporary accommodation for working age people, which are steadily increasing which are more complex cases, in addition to those of a pensionable age receiving housing benefit.
- 4.8.4 Customers claiming UC who apply for CTS do not require the Council to carry out means testing on their circumstances. They need only provide their UC entitlement letters, (details of which can be confirmed through LA's access to the DWP systems). These claims are already means tested and have differential applicable amounts applied by the DWP and the only income element that is needed for an award of CTS is earnings. Consideration has to be taken of any deductions being made for overpayments or recovery of advances, but essentially this means that if most claimants are already assessed there is an opportunity for a simplified assessment and processing system that could be incorporated into a new discount/banded scheme.
- 4.8.5 The reduction in new claims for HB might seem to reduce the shared service workload, however as the current CTS scheme for pensioners

and non-UC claimants requires the same preparation and processing to award a CTS claim as an HB one, no substantial savings have been realised with only a small number of posts removed over the last few years. Currently claims or changes in circumstances are prepared and input and both awards (HB & CTS) are processed simultaneously. Claims not requiring an HB assessment simply produce one output (CTS award) rather than two.

- 4.8.6 The Council has taken steps to simplify the claims process wherever possible for CTS claims as residents are often confused about their possible entitlement to CTS and the process of claiming CTS. Often the Council only gets to engage with customers when their Council tax account is in arrears, and additional recovery action has to be taken. The Council is using all means available to engage with residents quicker. The service continues to promote the scheme through various media to ensure that those entitled take up the support.
- 4.8.7 The challenge with those on Universal Credit is that it is reassessed monthly, (unlike HB), and those customers who are working (nationally this is estimated at more than 40%) are likely to experience more variations in their UC entitlement each month. This is attributed to salary and wages frequencies affecting the 'monthly' assessments. Each time there is a change in the UC award, their entitlement to CTS has to be reassessed. Every time CTS is reassessed, it produces a new Council Tax Bill. These constant changes in bills and amounts due are not only confusing to the customer trying to budget, but it also resets any recovery action being taken for non-payment on the previous assessment and making collection of arrears very difficult.

## **4.9 Council Tax**

- 4.9.1 Council Tax performance measure looks at the proportion of the current year's liability collected in that year. For financial year end of 2024/25 Stevenage collection rate was 94.52%, and East Herts 96.74% per the government return. SBC 0.15% higher than end of 2023/24 and EHC 0.18% lower.

As at November 2025 Stevenage collection rate is at 76.3%, down 0.4% on November 2024, and East Herts is at 73.3%, down 0.3% on November 2024

- 4.9.2 In 2024/25 the combined collectable debit for EHC & SBC increased by £12.65m. (EHC £9.3m & SBC £3.35m). For Stevenage, the collectable debit was £63.05m and EHC £146.6m.

In 2025/26 the combined increase was (EH £8.5m & SBC £3.45m). For SBC, the collectable debit is £66.5m and EH is £155.1m for 2025/26.

- 4.9.3 Customers are experiencing ongoing increases in council tax, including increasing precepts from HCC and the Police, which is making this a larger portion of household costs. The ongoing increase in energy costs, inflation, and cost of living crisis is making it harder for many households to cover all costs, and we are seeing an increasing trend of those struggling to pay their council tax liability.
- 4.9.4 The tables below show the collection position across the district and neighbouring authorities at end of 2024/25 and at end of Q2 for 2025/26. These show a similar position to us and demonstrate the difficulty of collection in the current climate.

**Table 11: Council Tax year on year collection rates % - districts**

Council Tax	2019/ 20	2020/ 21	2021/ 22	2022/ 23	2023/ 24	2024/ 25
Broxbourne	97.5	96.6	96.7	97.2	96.8	96.2
Dacorum	98.0	96.8	97.2	97.4	97.1	97.3
<b>East Herts</b>	<b>97.9</b>	<b>97.1</b>	<b>98.0</b>	<b>96.8</b>	<b>96.9</b>	<b>96.7</b>
Hertsmere	98.0	97.7	96.6	96.6	96.1	95.9
North Herts	98.1	97.4	98.4	97.6	97.9	97.4
St Albans	98.4	98.8	98.7	98.7	98.8	98.8
<b>Stevenage</b>	<b>96.2</b>	<b>95.1</b>	<b>94.6</b>	<b>94.1</b>	<b>94.4</b>	<b>94.5</b>
Three Rivers	98.4	97.7	97.7	97.3	97.3	97.3
Watford	97.3	96.5	96.1	95.7	95.2	95.5
Welwyn Hatfield	97.5	95.1	96.7	97.8	97.2	96.8
Bedford	97.4	96.7	97.1	96.7	96.5	
Central Bedfordshire	97.8	96.9	97.4	97.7	97.5	
Luton	96.7	90.9	94.4	94.9	94.8	95.2
Buckinghamshire		98.1	97.5	98.2	98.5	

**Table 12: Council Tax collection for 2025/26 % - districts**

Council Tax	2025 Q1 Collection (%)	2025 Q2 Collection (%)
Broxbourne	26.8	51.6
Dacorum	28.9	55.5
<b>East Herts</b>	<b>30</b>	<b>55.9</b>
Hertsmere	27.9	54.4
North Herts	27.9	54.3
St Albans	30	57.2
<b>Stevenage</b>	<b>32.1</b>	<b>59</b>
Three Rivers	30.3	58
Watford	27.4	54.1
Welwyn Hatfield	29.2	55.2
Bedford		
Central Bedfordshire		
Luton		
Buckinghamshire	28.6	56

4.9.5 The number of banded properties in the tax base has increased over the last two years. In 2024/25 the total increase was 923 (SBC 180 and EHDC 743). This growth has continued in 2025/26 with a further 874 banded properties added from 01.04.2025 to 01.12.2025 already (SBC 355 and EHDC 519). As of 01.12.2025, SBC now has 38,804 banded properties and EH 68,532.

4.9.6 Whilst in year collection is the prime performance indicator, considerable work goes into collecting prior year arrears. This was a focus in the Revenues & Benefits review which identified tools to assist our collection of the arrears which have been implemented in the 2025/26 year.

4.9.7 As part of the Revs & Bens review recommendations two new Enforcement Agent companies have been brought on for an initial 12-month trial period targeting arrears cases, Reventus LTD and Whipps Enforcement Agents (both of which sign up to best practice around

enforcement). Since July 2025 we have passed over 4,102 cases dating back to 2018 to them and seen £121,646.86 so far remitted against these cases by end of November 2025.

This was 2,262 cases for EH with a £74,109.17 remittance and 1,840 cases for SBC with a £47,537.69 remittance.

The service will continue to pass them arrears cases in this trial period, going back further than 2018 where relevant, and monitor their performance and collection of these cases to consider continued contracts beyond this trial.

- 4.9.8 Furthermore, as part of the Revs & Bens review recommendations the service have signed a contract with Ward Hadaway Solicitors to use their services for collection of high-level council tax debts. They will review the liable party's financial position to identify if charging orders, forced sale, and bankruptcy may be suitable enforcement actions to pursue. So far, 21 cases have been referred for review totalling approximately £300,000 (12 cases worth £188,000 for EH and 9 cases totalling £112,000 for SBC).
- 4.9.9 The table below demonstrates the position for each Council with respect to arrears owing at the end of each financial year, with a breakdown to show historic arrears owing.

**Table 13: Stevenage Council Tax arrears (net)**

\*Figures taken from arrears analysis CT6223d

<b>SBC</b>	<b>At 31.03.25</b>	<b>At 31.03.24</b>	<b>Prior Year Change</b>
Pre 2003	142	142	0
2003-2007	14,261	20,412	-6,151
2008-2012	136,087	152,983	-16,896
2013-2017	638,950	737,061	-98,111
2018-2023	4,576,329	5,849,061	-1,272,732
2023-2024	2,235,504	3,480,510	-1,245,006
<b>Sub Total</b>	<b>7,601,273</b>	<b>10,240,169</b>	<b>-2,638,896</b>
2024-2025	3,595,596		
<b>Sub Total</b>	<b>11,186,869</b>	<b>10,240,169</b>	
<b>At EOY</b>	<b>11,186,869</b>	<b>10,240,169</b>	<b>956,700</b>
	<b>At 30.11.25</b>	<b>At 31.03.25</b>	<b>Prior Year Change</b>



Pre 2003	142	142	0
2003-2007	13,189	14,261	-1,072
2008-2012	129,491	136,087	-6,596
2013-2017	604,027	638,950	-34,923
2018-2023	4,024,492	4,576,329	-551,837
2023-2024	1,895,753	2,235,504	-339,751
<b>Sub Total</b>	<b>6,669,336</b>	<b>7,601,273</b>	<b>-931,937</b>
2024-2025	2,604,190	3,595,596	-991,406
<b>Sub Total</b>	<b>9,273,526</b>	<b>11,186,869</b>	<b>-1,913,343</b>
2025-2026	15,936,701		

**Table 14: East Herts Council Tax arrears (net)**

\*Figures taken from arrears analysis CT6223d

<b>EHDC</b>	<b>At 31.03.25</b>	<b>At 31.03.24</b>	<b>Prior Year Change</b>
Pre 2003	5,578	7,257	-1,679
2003-2007	63,328	68,751	-5,423
2008-2012	152,570	166,714	-14,144
2013-2017	635,329	702,915	-67,586
2018-2023	5,243,825	6,291,880	-1,048,055
2023-2024	2,766,896	4,378,698	-1,611,802
<b>Sub Total</b>	<b>8,867,526</b>	<b>11,616,215</b>	<b>-2,748,689</b>
2024-2025	4,929,918		
<b>Sub Total</b>	<b>13,797,444</b>	<b>11,616,215</b>	
<b>At EOY</b>	<b>13,797,444</b>	<b>11,616,215</b>	<b>2,181,229</b>
	<b>At 30.11.25</b>	<b>At 31.03.25</b>	<b>Prior Year Change</b>
Pre 2003	4,572	5,578	-1,006

<b>EHDC</b>	<b>At 31.03.25</b>	<b>At 31.03.24</b>	<b>Prior Year Change</b>
2003-2007	58,706	63,328	-4,622
2008-2012	142,405	152,570	-10,165
2013-2017	601,031	635,329	-34,298
2018-2023	4,633,822	5,243,825	-610,003
2023-2024	2,354,166	2,766,896	-412,730
<b>Sub Total</b>	<b>7,794,702</b>	<b>8,867,526</b>	<b>-1,072,824</b>
2024-2025	3,257,321	4,929,918	-1,672,597
<b>Sub Total</b>	<b>11,052,023</b>	<b>13,797,444</b>	<b>-2,745,421</b>
2025-2026	41,571,853		

- 4.9.10 The tables demonstrate inroads into prior year arrears have been achieved and, whilst some of these were deemed non recoverable and written off, the overall level of pre 2024/25 debt has been reduced. New projects are being implemented over 2025/26 to assist with arrears collection, and we can see that in EH we have nearly matched the arrears collection of the whole of 2024/25 as of November 2025.
- 4.9.11 The service continues to support customers through an ongoing difficult economic climate by rescheduling payments and deferring where needed, always including a Final Notice stage in the recovery process, increasing communications with SMS used and issuing letters when payment arrangements default to prompt contact prior to taking further action. We also direct customers to support agencies, identify eligibility for discounts or exemptions, direct to government funding schemes, and continue to raise awareness of exceptional hardship support available.
- 4.9.12 An Exceptional Hardship Relief scheme is offered by both Councils to administer Section 13(A) 1 discretionary relief for council tax. There has been an uptake in this since the pandemic and during the ongoing difficult economic climate. There is an application process requiring financial information and supporting evidence and each case is reviewed independently and against the Exceptional Hardship Relief policy. It is a discretionary scheme, and any award will be used to reduce council tax liabilities for those found to be in exceptional hardship and to help them improve their financial situation. On some occasions there has been a positive impact where customers are able to get back on track and are able to pay their continued liability moving forward.

- 4.9.13 Both Councils apply a premium to properties which have been empty – unoccupied and unfurnished for more than two years. EHC apply the maximum permitted (100% premium for property empty 2 years but less than 5; 200% premium for 5 years but less than 10; and 300% premium for 10 or more years). SBC retained the premium at 50% once a property has been empty for 2 or more years.  
In the 2024 taxbase, SBC had 101 properties charged a premium and EH had 137. In the 2025 taxbase, SBC now has 88 properties charged a premium whilst EH has 160.
- 4.9.14 An empty homes review is conducted annually, currently outsourced to a third party, NEC, and funded by Herts County Council, on our behalf to check if the properties remain empty to ensure the records are accurate, and maximise the New Homes Bonus paid and our taxbase is accurate for budget setting. Of 315 properties reviewed in 2024 in SBC, 49 were updated to occupied, and of the 580 reviewed in EH, 84 were updated to occupied. In 2025, SBC had 150 properties reviewed and 70 were updated to occupied whilst EH had 352 reviewed with 113 updated to occupied.
- 4.9.15 NEC also carry out a review of recipients of Single Person Discount for both Councils. Almost 34k properties were screened to confirm entitlement (EHC 20,924, SBC 13,068). The cases identified as high risk are sent letters to complete a review form online or via post to confirm entitlement or any changes to their household.  
In 2024, SBC had 2,841 reviews issued and EH had 4,465. Any reported changes are updated, and any non-responders are issued reminders and have their discount removed. SBC had 523 SPDs removed and EH had 855 removed following the review. The 2025 SPD review has just begun with 2,618 letters issued for SBC and 4,221 for EH.
- 4.9.16 In 2025/26 we have implemented more automation within our online forms and back-office systems to increase efficiency and speed of processing. The biggest success has been the automated change of address (COA) form where the move will be automatically processed where all relevant information is supplied by the customer. Prior to implementation, all forms had to be manually processed, which was time-consuming and resulted in a backlog with 1,204 EH COA forms outstanding and 478 SBC COA forms outstanding. After going live on 24<sup>th</sup> October 2025, the automation reduced this to 370 EH COA forms outstanding and 167 SBC COA forms outstanding.
- 4.9.17 Further automation is being reviewed and set to go live from January 2026 onwards to assist with property band changes, recovery actions, and refunds. This reduces the need for manual intervention and will enable the back-office staff to spend more time on the more complex cases and arrears collection.

## 4.10 Business Rates

4.10.1 Revaluation has impacted on the charges for the years 2024/25 and 2025/2026, with many businesses bills increasing over the 3 years, resulting in businesses struggling to pay. The retail relief awarded was also reduced from 75% in the year 2024/25 to only 40% in the current year, again resulting in large increases in bills.

4.10.2 The performance measure looks at proportion of the current year's liability collected in that year. For the year 2024/25 the collection rates improved for both Council as of 31<sup>st</sup> March 2025 reaching 99.23% for Stevenage and 98.21% for East Herts. East Herts was on target to be higher but several new properties were brought into the list in February 2025, which did not allow enough time to collect the charges raised before the end of March 2025. The collection rates for the current year are being tracked closely, and currently there is a slight decrease as of the 1<sup>st</sup> December compared to last year. The rates are currently at 80.01% for SBC compared to 80.82% at the same time last year and East Herts 75.33% compared to 76.51% at the same time last year. The rate for Stevenage is always higher as of the 1<sup>st</sup> of each month as the DD claim is on the 1<sup>st</sup> of the month for Stevenage and for East Herts it is on the 15<sup>th</sup> of the month.

4.10.3 The tables below show some headline values as at 31.3.25 for 2024/25

**Table 15: Business rates liabilities and reliefs 2024/25**

2024/25	SBC	EHDC
Rateable Value	126,724,366	137,957,012
Gross rates	£67,718,199	£71,582,868
Transitional reliefs	-£1,084,455	-£2,847,537
Empty reliefs	-£1,539,611	-£1,598,983
Small business rate reliefs	-£1,987,227	-£5,635,440
Mandatory reliefs	-£3,518,341	-£6,600,309
Discretionary reliefs	-£157,287	-£297,278
Government funded reliefs	-£2,910,869	-£7,573,602
Hardship relief	0	-£1,309.00
Net yield to collect	£56,520,409	£47,028,410

**Table 16: Business rates liabilities and reliefs as at 1.12.25 for 2025/26**

2025/26	SBC	EHDC
Rateable Value	126,200,869	139,905,594
Gross rates	£65,486,045	£72,834,346
Transitional reliefs/premiums	£424,392	-£405,398
Empty reliefs	-£1,548,097	-£1,803,994
Small business rate reliefs	-£2,068,930	-£5,749,342
Mandatory reliefs	-£3,700,037	-£5,934,913
Discretionary reliefs	-£189,337	-£286,891
Government funded reliefs	-£1,755,067	-£4,485,388
Hardship relief	0	-£1,501
Net yield to collect	£56,648,969	£54,166,919

**Table 17: Mandatory Reliefs 2024/25**

Mandatory Reliefs 2024/25	Explanation	SBC 2024/245	EH 2024/25
Empty (Sec 45)	A mandatory Relied applied to properties which are empty - 3 months shop and offices etc. and 6 months for industrial type properties	-£1,539,611	-£1-598,983
Small Business rates relief	A mandatory relief for Small Businesses under £15,000 rateable value	-£1,987,227	-£5,635,440
Charitable (Sec43(5))	A mandatory relief where the organisation is a charity or would be considered to be a charity	-£3,505,965	-£6,450,083

Sports Clubs (Sec 43(5))	A mandatory relief for registered Community Amateur Sports Clubs	-£4,691	-£80,402
Public Toilets	A mandatory relief for public toilets	-£7,685	-£5,990
Village shops	A mandatory relief to a post office or the only general store, pub, or petrol station in a rural settlement with a population not exceeding 3,000	0	-£63,834

**Table 18: Mandatory Reliefs granted 2025/26**

Mandatory Reliefs 2025/26	Explanation	SBC 2024/245	EH 2024/25
Empty (Sec 45)	A mandatory Relief applied to properties which are empty - 3 months shop and offices etc. and 6 months for industrial type properties	-£1,548,097	-£1,803,994
Small Business rates relief	A mandatory relief for Small Businesses under £15,000 rateable value	-£2,068,930	-£5,748,342
Charitable (Sec43(5))	A mandatory relief where the organisation is a charity or would be considered to be a charity	-£3,585,854	-£5,693,066
Sports Clubs (Sec 43(5))	A mandatory relief for registered Community Amateur Sports Clubs	-£4,691	-£81,319

Public Toilets	A mandatory relief for public toilets	-£7,685	-£7,947
Improvement Relief	A relief awarded to business that have extended or expanded property 1 year only	-101,807	-£117,171
Village shops	A mandatory relief to a post office or the only general store, pub, or petrol station in a rural settlement with a population not exceeding 3,000	0	-£35,409

**Table 19: Changes to prior arrears**

31.3.2025	East Herts	Stevenage	Total
Opening balance of all year's arrears at 1.4.24	£2,720,522.37	£992,146.20	£3,712,668.57
Closing balance at 31.3.25	£1,226,155.69	£555,693.25	£1,781,848.94
Change in arrears	£1,494,366.68	£436,452.95	£1,930,819.63
Arrears for 2024/25 only	£829,585.06	£209,616.25	£1,252,708.57
Total arrears	£2,055,740.75	£978,816.76	£3,034,557.51
Further reductions as at 17.12.25	£58,757.08	-£304,424.51	£1,252,708.57
Total arrears as at 1.12.25	£1,996,983.67	£674,392.25	£3,034,557.51

#### **4.11 RV Finder**

- 4.11.1 The importance of identifying the correct rateable values (RV) to maximise the revenue streams to the councils is taken very seriously and will continue to be a focus as the reliance on this income grows.
- 4.11.2 The Service is currently under contract with a company who use national data sources to identify changes and potential changes in rateable value in the area. Herts County Council contributes to the cost of both the core information system and towards each rateable value identified.
- 4.11.3 However, there are increasing pressures on the RV across the country. with types of businesses seeking to reduce liability, demands for on-line companies to contribute more, and types of businesses being moved into central lists (outside of LA's billing). Sadly, there remains no legal requirement for a business to notify the billing authority that it is operating from a premise or has made changes to the property which would attract greater liability. Consequently, it is especially important for Councils to seek out all liabilities.
- 4.11.4 Issues with avoidance and evasion continue, and the shared anti-fraud service supports our work in data matching on both LA's data, which can identify useful leads.

#### **4.12 Other activity**

- 4.12.1 The BID for Bishop's Stortford was renewed for 2024/25. The service is responsible for the billing and collection of this additional annual charge and receives funding for the activity.

#### **4.13 Digital**

- 4.13.1 The service remains focused to improve digital and online services across all channels customers engaging with the service. The priority for channel shift is for Council Tax and Benefits; channel shift is more important for these two service areas as they will have the most impact on individual customers (rather than businesses) and the highest impact on efficiencies with the service.

#### **4.13.2 Channel Shift Aim**

Create a seamless, user-friendly digital and online experience that:

- Encourages customers to self-serve online
- Reduces demand on telephony, email, and paper



- Improves operational efficiency and customer satisfaction
- Ensures vulnerable groups are supported through appropriate routing

4.13.3 Currently East Herts and Stevenage customers have a range of self-serve options for Housing Benefit, Council Tax and Business Rates. These modules include a number of other on-line forms that have been e-enabled to assist customers. The table below demonstrates some of the movement in take up between July 2017 and March 2025.

**Table 20: Take up of digital options EHC**

		EHC								
		Jul-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Registered Accounts		3100	5586	10563	15480	20969	26687	31422	37768	45113
Council Tax:										
Online DD's		351	2384	6324	10637	15867	22067	27334	32957	39317
Online COA		454	2695	7237	11572	17185	23115	28985	34322	40744
E-Biiling		378	726	1393	2152	3212	4216	5801	6067	7736
Benefits		112	185	296	432	562	666	744	851	904
Landlords		25	34	47	53	62	71	78	86	93
Business Rates		24	45	74	117	174	308	397	504	638

**Table 21: Take up of digital options SBC**

		SBC								
		Jul-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Registered Accounts		164	1226	3437	5725	8030	11035	14039	16284	19290
Council Tax:										
Online DD's		60	726	2234	4137	6164	8974	11586	13695	16480
Online COA		76	492	1570	2840	4277	5819	7673	9328	11561
E-Biiling		8	116	410	770	1148	1565	1984	2348	2970
Benefits		4	43	114	192	280	322	374	414	392
Landlords		1	4	13	20	31	34	40	44	51
Business Rates		0	4	8	62	94	120	170	216	262

4.13.4 The following new digital modules have been implemented in line with the recommendations and outcome of the independent review:

**Enhanced Council Tax Change of Address Module** – fully automated Change of Address processing, replaces current version which needs manual entry.

**Enhanced Council Tax Arrangements Manager Module** – includes full automation and integrates with the existing forms module for much easier processing.

**Benefits eCIC Module** - online automated form.

- 4.13.5 Further digital modules also identified as part of the independent review will be implemented during 2025/26:

**New Council Tax Automated Refunds** - fully automates the Council Tax refund procedure.

**New Business Rates Change of Circumstances form** – online automated form.

**VEP** – automation of data files provided by the DWP

- 4.13.6 The following opportunities have been identified and will be explored during 2025/26:

**Proactive Customer Contact Automation (with TelSolutions)** – improved customer contact and chase-up via text and phone for payment/debt collection

**Email Automation (with NEC Document Management)** – removes manual processes for high volume transactions. Improves customer experience with shorter transaction times

**Self-scan options for customers** – improves customer experience with ability to provide documents / evidence from anywhere / anytime. Improves document security and removes manual processes

- 4.13.7 Good clear communication with our customers is essential to both encourage and support them through the transition to greater digital interaction. A range of activities have commenced including both Councils communications teams working together on a series of promotional material, raising awareness of what is available and what is 'coming soon'.
- 4.13.8 All front-line staff must be committed to channel shift and engage with customers at first point of contact to move to digital services where they are able to. Delays have been experienced as this approach requires new ways of working and corporate support is required to engage other service areas in this objective. The objective is to be *digital by default* and accordingly considerable efforts will be made to engage both staff and customers in the coming year.

#### **4.14 Service plan objectives 2024/25 and 2025/26**

- 4.14.1 The agreed service plan focuses on collection rates and performance in processing Benefit claims, whilst reviewing the access and support offered to customers as discussed above.

#### **4.15 Supporting customers**

- 4.15.1 The service continues to explore support for customers in financial difficulty, with a view to early intervention preventing the additional costs of enforcement action being necessary.

#### **4.16 Staff**

- 4.16.1 At the time of writing we have 7 vacant posts across the service.

#### **4.17 Outturn budget for 2024/25**

- 4.17.1 To be circulated in the meeting

**Table 22: Shared service budgets - to be circulated in the meeting**

Revenues & Benefits	23/24 outturn	24/25 outturn	25/26 Budget
<b>Shared Service</b>			
Expenditure			
Employees			
Transport related expenses			
Supplies & Services			
Support services & divisional costs			
Expenditure total			

Income from other authorities			
Government Grant income			
Section recharge			
Income total			

#### 4.19 Shared Revenues & Benefits Service – Review Update

4.19.1 The independent review conducted by Liberata in January 2024 highlighted several areas requiring attention to deliver greater efficiencies and improved customer outcomes, alongside the need for additional investment. The key high-priority recommendations include:

- **Implementation of a banded Council Tax Support (CTS) scheme**
- **Restructuring of the service**
- **Deployment of digital modules to enhance automation and customer access**
- **Collection-related improvements**, including introducing an additional Direct Debit date (28th of the month) and appointing new enforcement agents
- **Addressing static debt and arrears clearance**, as well as post-enforcement agent actions

These recommendations are referenced throughout this report and are at varying stages of implementation—some have been completed, while others are in progress or planned for future delivery.

#### 4.20 Shared Revenues & Benefits Service – Future Challenges

4.20.1 **Business Rates** - The Government announced major changes to business rates for 2026/27 which will move to a new five tier multiplier system which will take effect from 1<sup>st</sup> April 2026 along with a revaluation to all business rates properties. The service is preparing for these changes and there will be a lot of work to do to ensure we bill correctly and allocate the correct rateable value and multiplier to each property. This is subject to very tight deadlines and will be another great challenge for the team.

4.20.2 **Council Tax** – The Government announced a High Value Council Tax Surcharge (HVCTS) for residential properties worth £2 million or more from April 2028

4.20.3 **Housing Benefit** – bringing together the administration of Housing Benefit and Pension credit. This streamlines how pension-age individuals claim Housing Benefit and Pension Credit

## **5 IMPLICATIONS**

### **Financial**

#### **Implications**

5.1 The financial implications are contained within the report.

### **Legal Implications**

5.2 None

### **Risk Implications**

5.3 None

## **6 BACKGROUND PAPERS**

None

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