

**Present:** Councillor Ric Metcalfe (*in the Chair*),  
Councillor Ray Cucksey and Councillor Rosanne Kirk

**Apologies for Absence:** Councillor John Money

**10. Confirmation of Minutes - 12 June 2018**

RESOLVED that the minutes of the meeting held on 12 June 2018 be confirmed.

**11. Declarations of Interest**

No declarations of interest were received.

**12. Revenues and Benefits - Quarter 1 2018/19 Financial Monitoring**

Purpose of Report

To provide the Joint Committee with the first quarter's financial performance for the Revenues and Benefits Shared Service for 2018/19.

**Decision**

That the report be noted and the budget adjustments for 2018/19 be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

The approved budget for 2018/19 was agreed by the Revenues and Benefits Joint Committee on 20 February 2018 when the Committee set a budget of £2,285,710 for the service. This budget had been revised to reflect a number of New Burdens Grants that had been notified to each authority during quarter one, as set out in the table at paragraph 3.2 of the report.

Financial performance for the first quarter of 2018/19 was detailed in Appendix 1 of the report, which outlined an underspend against the approved budget of £17,151.

The forecast outturn for 2018/19 predicted that there would be an underspend against the approved budget of £98,082 with further details set out in Appendix 2 of the report.

A summary of the main forecast year-end variations against the approved budget for 2018/19 was outlined in paragraph 4.3 of the report, with the most significant variation noted as being in relation to salaries. A variance of £96,000 was as a result of vacant hours together with career graded posts budgeted at top of scale, however, not all officers were at the top of the scale. Work was currently taking place to realign budgets to properly reflect actual salaries, with the difference able to be used to address budget pressures in other parts of the service or offset reductions in administrative grants.

### 13. Performance Update

#### Purpose of Report

To provide the Joint Committee with an update on performance in the Revenues and Benefits Shared Service.

#### **Decision**

That the report be noted.

#### Alternative Options Considered and Rejected

None.

#### Reason for Decision

##### *Council Tax*

Positive council tax in-year collections had been achieved for 2017/18, with the table at paragraph 4.2 of the report outlining how performance had progressed since the shared service formed in June 2011. Members agreed that this was extremely positive given the ongoing welfare reforms, the general economic climate and taking into account that Universal Credit Full Service went live on 7 March 2018. It was noted that North Kesteven's collection rate was ranked seventh out of 326 billing authorities.

Officers had also undertaken comparisons of collection rate to deprivation statistics and rankings which indicated a strong connection between the two sets of figures. It was possible to set a line of best fit using an exponential function which suggested that the City of Lincoln was collecting 1.6% more council tax per year than could reasonably be expected and gave a ranking outcome of 20<sup>th</sup>.

Comparing quarter one 2018/19 to 2017/18, the City of Lincoln was above by 0.09% and North Kesteven below by 0.07%.

When considering the current collection levels, it was noted that the collectible debit for both the City of Lincoln and North Kesteven had increased from 2017/18 by £2.3 million and £3.6 million respectively.

In terms of the position as at the end of July 2018, the City of Lincoln was 0.01% below 2017/18 at 35.63% and North Kesteven was the same as 2017/18 at 39.34%.

##### *Business Rates*

As with council tax, positive business rates in-year collection had been achieved for 2017/18, with the table outlined in paragraph 4.7 of the report showing how performance had progressed since the shared service formed in June 2011.

When comparing quarter one 2018/19 to 2017/18, the City of Lincoln was up by 0.03%, North Kesteven was up by 3.61% and West Lindsey was down by 0.54%.

Whilst collection for West Lindsey was below as at quarter one, there had been significant improvements during the first quarter of 2018/19. Collection was 2.44% down at 30 April 2018 compared to the same point in 2017/18.

With an increased collection rate of 35.86% for Lincoln and 45.03% for North Kesteven, it should be noted that the total net receipt had also increased from 2017/18 by £1.5 million and £1.2 million respectively.

The tables at paragraph 4.9 of the report set out net collectible debit and total net receipt compared for each authority between 2018/19 and 2017/18.

In terms of the new financial year, as at the end of August 2018 business rates in-year collection compared to the same period in the previous year was noted as follows:

- City of Lincoln – 0.74% below;
- North Kesteven – 4.31% above;
- West Lindsey – 0.41% above.

#### *Business Improvement District Levy Collection 2017/18*

The Business Improvement District financial year ran from July to June and the figures set out in paragraph 4.12 of the report represented collection up to the end of June 2018.

The 2017/18 net collectable debit raised in respect of the Levy was £391,728.

#### *Outstanding Revenues Customers*

The number of outstanding revenues customers as at the end of quarter one in 2018/19 showed an increase since 31 March 2018. This was due to the reduced numbers of staffing within the team due to unforeseen circumstances. It was reported that this position would be improved in-year due to the resolution of the staffing issues and the continued implementation of changes to current processes through the introduction of new electronic/self-service forms.

It was noted that performance was similar to quarter one in 2017/18, as set out in the table at paragraph 4.14 of the report. As at the end of July 2018 there were 766 outstanding revenues customers for the City of Lincoln and 376 for North Kesteven. Whilst this had increased since the end of quarter one, it was acknowledged that the rate of increase was not as high as in previous months.

#### *Housing Benefit Overpayments*

In-period collection as at July 2018 stood at 109.55% for the City of Lincoln and 125.83% for North Kesteven, meaning that more monies had been recovered than raised. This was as a result of the work being undertaken by the Housing Benefit Overpayment Recovery Team.

As well as in-period housing benefit overpayments, collection figures remained positive. As demonstrated in the table at paragraph 4.17 of the report, the level of outstanding overpayments was starting to reduce which was also due to the work of the Housing Benefit Overpayment Recovery Team during this first quarter. The table at paragraph 4.19 outlined how this position had developed over the last

five financial years, with updated figures for the City of Lincoln and North Kesteven reported at the meeting as follows:

- City of Lincoln - £4,098,295;
- North Kesteven - £1,739,460.

In terms of staffing, it was reported that the 28 original fulltime equivalent Housing Benefit Assessors had reduced over a number of years, with the current provision consisting of 15.5 full time equivalents working on core housing benefit assessment work.

### *Benefits Performance*

The table set out in paragraph 5.1 of the report showed the number of outstanding benefits customers awaiting assessment at the end of each financial year since the formation of the shared service.

The rollout of Universal Credit Full Service had resulted in a significant impact on the processing performance, with the section receiving just under 9,000 documents related to Universal Credit since 1 April 2018. Each of these documents required assessment, with Benefits Officers required to review the document and make a decision as to the assessment required.

In order to address this, overtime had been offered to staff to improve the processing position. Overtime had been undertaken which had improved performance, however, for Lincoln claims the level of outstanding work had so far remained unlikely to reduce significantly due to a large volume of work being received due to Universal Credit.

Discussion ensued on staffing levels and the potential use of consultancy staff, appreciating the overtime that officers had undertaken but acknowledging that there were limits as to how much overtime people could do. The Head of the Shared Service was in discussion with Team Leaders in respect of this issue and would investigate the options further, taking into account that there should be sufficient resources available as a result of projected underspends but that the solution had to be a sustainable one too.

Updated figures were reported in respect of benefits customers outstanding figures, split by those who were already in progress against those which had not yet started to be processed. For the City of Lincoln 303 customers had been contacted, with 1,382 not yet contacted whereas for North Kesteven 258 customers had been contacted and 135 had not yet been contacted.

Further details regarding average housing benefit processing times were set out in the table at paragraph 5.4 of the report which showed figures for new claims and changes of circumstance for the last five financial years.

Outcomes of claims checked under the service's quality checking regime were set out in the table at paragraph 5.5 of the report, with updated figures for the City of Lincoln and North Kesteven reported at the meeting as follows:

- City of Lincoln – 85.87%;
- North Kesteven – 95.88%.

The Chair commended the work of the Universal Credit Support Team following a visit he had made last week. He said that it was a magnificent team and that he was most impressed with the work they were doing.

#### **14. Welfare Reform and Universal Credit Update**

##### Purpose of Report

To provide the Joint Committee with an update regarding the national and local position of welfare reform, with a specific focus on Universal Credit.

##### **Decision**

That the report be noted.

##### Alternative Reasons Considered and Rejected

None.

##### Reason for Decision

The report provided the Joint Committee with an update on Universal Credit, including the national and local position regarding Universal Credit together with shared service preparations for roll-out to full service, migration of customers in receipt of legacy benefits and the potential impact of migration to City of Lincoln and North Kesteven rent arrears.

Details in relation to the national progress with Universal Credit and recent changes to Universal Credit arrangements were noted in paragraphs 4 and 5 of the report.

##### *Impact on the Council's income – Rent*

It was reported that the Welfare Reform and Project Officer had been working with City of Lincoln Council and North Kesteven District Council Housing colleagues to monitor the impact Universal Credit claims were currently having on rent collection. Data showed that of the 613 City of Lincoln tenants in receipt of Universal Credit, as at the end of July 2018, 345 of them had an increase in their arrears totalling £90,145. 240 tenants had decreased rent arrears totalling £57,249 and 28 tenants' rent outstanding figure had not changed. For North Kesteven, as at the end of June 2018, the arrears for 45 Universal Credit customers had increased by £4,525.67.

Discussion ensued on the issue of direct payments in respect of rent arrears. It was noted that difficulties had been experienced in reconciling amounts and that there were often delays in payments being received using the direct payments facility. General advice provided to customers as a consequence was that it was perhaps more effective to sign up to a direct debit arrangement. Discussions would continue with the Department for Work and Pensions in relation to direct payments and the problems that had been experienced with them to date, particularly with regard to the impact on rent arrears.

### *Universal Support Team*

Paragraph 7 of the report provided information relating to the Universal Support Team and confirmed hours of operation, the work undertaken as part of providing Assisted Digital Support and Personal Budgeting Support, together with the range of other assistance they provided Universal Credit customers.

The Universal Credit Support Team and Benefits Team Leaders were currently reviewing how Universal Credit claims were processed and would be putting guidance together for all processing staff. This guidance would also clarify processes relating to the cessation of relevant housing benefit claims, processing council tax support and allocating overpayments to the correct recovery method.

### *Preparation for North Kesteven Full Service*

Sleaford Jobcentre would go live with Universal Credit Full Service on 14 November 2018. Officers were reviewing the objectives and outcomes of the Universal Credit Support Team based at Lincoln to ascertain whether the positive partnership working arrangements with Jobcentre Plus and internal processes that needed to be in place could be replicated at the Sleaford office.

A range of activities would take place to manage the transition and ensure that Sleaford office staff understood necessary processes, with shadowing taking place with the Lincoln office.

The current Universal Credit Support Team was working closely with housing and communications teams and the web team to ensure that relationships were there to support customers and ensure information was on hand.

### *Universal Credit Dashboard*

A dashboard of statistical information from the Universal Credit Support Team was appended to the report, which provided key information relating to team outputs as well as regional and national updates.

## **15. Welfare Team Update**

### Purpose of Report

To provide the Joint Committee with an update on the activity undertaken and the outcomes achieved by the Welfare Advisers in the Revenues and Benefits Shared Service.

### **Decision**

That the report be noted.

### Alternative Options Considered and Rejected

None.

## Reason for Decision

The report provided an update on the performance of the Welfare Team for the previous financial year, 2017/18.

The Welfare Team was an integral part of the Revenues and Benefits Shared Service with 7.5 fulltime equivalent advisers based in both Lincoln and Sleaford, delivering the service by agile working with technology in place to enable them to work from home, from customer addresses, outreach officers and council premises. This ensured that they were able to tailor service delivery to the needs of the customer.

The Welfare Team offered two distinct but closely linked services, namely Benefits Advice and Money Advice. Details of the two services were set out in paragraphs 2.3 and 2.4 of the report, respectively.

The team had been extremely busy this year, providing advice and support to some of the most vulnerable and disadvantaged residents in the City of Lincoln and North Kesteven. In total, the team had dealt with 5,484 customers for benefit related queries. As well as advising people about the benefits they were entitled to claim, the team also helped with the completion of forms which could be difficult for customers to understand. Without this assistance there was no doubt that some eligible people would be discouraged from applying and accessing their entitlements.

Assistance was given to every type of Department for Works and Pensions benefit, as well as Her Majesty's Revenue and Customs tax credits and local authority benefits. The team also advised on charitable awards and grants from a wide range of providers, with successful applications to the Anglian Water Trust fund for example. The team had also issued a total of 306 food vouchers for local community larders and food banks during 2017/18.

Additional benefits claimed by customers who had sought the advice and assistance of the Welfare Team were set out in the table at paragraph 4.5 of the report and totalled £2,988,383.84.

In addition to the weekly amounts of benefit awarded to individuals and lists in this table, in many cases customers received backdated awards or lump-sum payments. These were set out in the table at paragraph 4.7 of the report and equated to £393,742.98.

The Chair was delighted with the content of the report and praised the work of the team, requesting that some publicity was given to the team's successes, particularly in relation to the £2,988,383.84 of additional benefits allocated as a result of advice provided by the team to those eligible.

It was agreed that further update reports on the performance of the team should be reported to the Joint Committee on an annual basis.

## 16. Non-Domestic Rate Update

### Purpose of Report

To provide the Joint Committee with an update on current issues within non-domestic rate.

### **Decision**

That the report be noted.

### Alternative Options Considered and Rejected

None.

### Reason for Decision

Updates on the following schemes were noted:

#### *Supporting Small Business Relief Scheme*

The number of hereditaments that had been identified and had benefitted from the scheme as at 30 June 2018 for each of the three authorities was noted as follows:

- City of Lincoln – 8 identified, with 5 responding and the award totalling £7,007;
- North Kesteven – 23 identified, with 19 responding and the award totalling £24,552;
- West Lindsey – 26 identified, with 15 responding and the award totalling £20,201.

#### *Support for Pubs Scheme*

The returns for this scheme as at 30 June 2018 were noted as follows:

- City of Lincoln – 63 identified and 22 awards made, totalling £22,000;
- North Kesteven – 40 identified and 31 awards made, totalling £28,793;
- West Lindsey – 59 identified and 29 awards made, totalling £26,118.

#### *Discretionary Relief Scheme – 2018/19 Scheme*

During quarter one of 2018/19 officers had undertaken a number of exercises to correctly identify those ratepayers that may be entitled to relief and calculated the cost of relief for all businesses affected by the revaluation, whereby the 2018/19 charge had increased as a result. Since 2017/18 the number of accounts identified for all three districts had decreased and, as a result, the value of relief awarded was as follows:

- City of Lincoln – this was a banded scheme. The award had remained the same for all bands, with the exception of those facing an increase of between £25 and £500. The relief to be awarded for 2018/19 had increased from 50% to 70%, providing additional support to those ratepayers as outlined in Appendix 1;



- North Kesteven – this was a banded scheme. The award had remained the same for the first two bands, but all others had reduced to 80% of the 2017/18 award as outlined in Appendix 2;
- West Lindsey – this was a percentage reduction scheme with all identified ratepayers received a 50% reduction. This was a decrease from 2017/18 of 80%.

Total awards made for each authority were reported at the meeting in respect of 2018/19, as follows:

- City of Lincoln – 346 identified and 359 awards made, totalling £82,552;
- North Kesteven – 278 identified and 261 awards made, totalling £66,278;
- West Lindsey – 197 identified and 133 awards made, totalling £62,095.

### *Business Rates Pilot*

Further to the 100% Business Rates Retention Pilot 2018/19, prior to the summer recess the Government took the opportunity to announce its plans for the 2019/20 Business Rates Retention Pilots. The main points were noted as follows:

- all authorities that had not already been awarded pilot status for 2019/20 could apply, including the 2018/19 pilots;
- the 2019/20 pilots would be at 75% business rates retention, not 100%;
- the 'no detriment' clause applied to 2017/18 and 2018/19 pilots would not apply to pilots set up for 2019/20;
- there would be a safety net set at 95% to reflect the additional risk locally that 75% retention introduced and this would apply pilot wide and not to individual authorities, with no levy being paid;
- the pilot programme in 2019/20 was likely to be smaller than the programme in 2018/19;
- successful pilots would last for one year up to the end of March 2020.

A report was currently being prepared to be presented to the Chief Executives meeting on 10 September 2018 to seek approval to submit a bid for 2019/20 pilot status and to agree which of the authorities should be included in that bid. As part of the bid submission, a request would be made to form a Lincolnshire business rate pool should the 100% business rate bid not be approved.

## **17. Housing Benefit Overpayments Update**

### Purpose of Report

To provide the Revenues and Benefits Joint Committee with an update on the recovery of housing benefit overpayments.

### **Decision**

That the report be noted.

### Alternative Options Considered and Rejected

None.

## Reason for Decision

In April 2018 the Department for Works and Pensions' Housing Delivery Division Performance Development Team conducted an end to end review of the Shared Service Housing Benefit overpayment and debt recovery process. The Committee was informed at its last meeting that an action plan was in place to reduce the number of overpayments, a copy of which was appended to the report.

The Performance Development Team had highlighted some good practices whilst conducting the review, as well as acknowledging the shared service had already recognised work that needed to be done. Eleven recommendations had been put forward of which nine had been included in the Housing Benefit Overpayment Recovery Action Plan. The action plan was regularly updated, with key actions set out in paragraph 6.2 of the report, and would continue to be monitored.

As part of the formation of the housing benefit overpayment project, officers had reviewed all recovery methods available for all stages of debt which were broken down as follows:

- overpayments recovered from ongoing housing benefit;
- overpayments at sundry debtors less than four months old;
- overpayments at sundry debtors over four months old;
- write off.

As a result, officers were now able to have a detailed understanding of what stage debts were at and, at a glance, whether the debts were increasing or decreasing and where resource allocation was needed. Since the project started in June 2018, there had been some significant improvements in performance. Key information relating to this were broken down for the City of Lincoln and North Kesteven in paragraph 7.2 of the report.

It was noted that the measure of success for this piece of work would be to ensure that all overpayments were being recovered, using the variety of recovery methods available and, for those where recovery was not a viable option, a decision was made with regards to the next stage such as write off. As a result, officers were confident that the level of outstanding debt would reduce and the remaining debt would be at an effective recovery stage.

Members understood that overpayments would continue to be created due to delays in customer notification and the local authority delay in processing, however, recovery of these debts would be undertaken with immediate effect and would be reviewed regularly to ensure recovery continued.