

**Present:** Councillor Rosanne Kirk, Councillor Peter Burley (substitute) and Councillor Donald Nannestad (substitute)

**Apologies for Absence:** Councillor Ray Cucksey, Councillor Ric Metcalfe and Councillor John Money

**1. Election of Chair of the Joint Committee for 2018/19**

RESOLVED that:

- (1) Councillor Ric Metcalfe be elected as Chair of the Shared Revenues and Benefits Joint Committee for 2018/19.
- (2) The election of a Vice-Chair of the Shared Revenues and Benefits Joint Committee for 2018/19 be deferred to the next meeting.
- (3) Councillor Donald Nannestad be elected as a temporary Chair, for this meeting only.

**[Councillor Donald Nannestad in the Chair]**

**2. Confirmation of Minutes - 20 February 2018**

RESOLVED that the minutes of the meeting held on 20 February 2018 be confirmed.

**3. Declarations of Interest**

No declarations of interest were received.

**4. Proposed Changes to the Delegation and Joint Committee Agreement to Incorporate the General Data Protection Regulations / Data Protection Act 2018**

Purpose of Report

To propose amendments to the Delegation and Joint Committee Agreement to reflect changes in the legal framework relating to data protection.

**Decision**

That the proposed amendments to the Delegation and Joint Committee Agreement be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

The Data Protection Act 1988 was replaced by the new Data Protection Act 2018 which incorporated the EU General Data Protection Regulation into UK law on 25 May 2018.

Both partner authorities needed to ensure the data received, processed, retained and shared was protected in accordance with the legal framework. A number of proposed amendments had therefore been made to the Delegation and Joint Committee Agreement, as set out in Appendix A of the report, which sought to ensure that the Councils' joint working arrangements were legally compliant.

## **5. Non-Domestic Rate Update**

### Purpose of Report

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

### Decision

That the report be noted.

### Alternative Options Considered and Rejected

None.

### Reason for Decision

The report provided updates of the following schemes introduced as a result of the Spring Budget 2017:

- loss of small business relief 2017/18 and 2018/19;
- support for pubs scheme 2017/18 and 2018/19;
- discretionary relief scheme 2017/18 and 2018/19;
- business rate pilot – 100% business rates retention in 2018/19.

It was noted that at the Spring statement on 13 March 2018 the Chancellor announced that the next business rates revaluation would be brought forward one year to 2021. Following the previous announcement on more frequent revaluations, this meant that three-yearly revaluations would take effect from 2024.

Discussion ensued on the 100% business rates retention pilot, during which it was noted that it was currently too early to assess what the actual benefit would be to each local authority involved. Over the next few weeks an update on the first quarter's performance would be collated for each authority in the Greater Lincolnshire pilot to ascertain how it was progressing. Talks were also currently underway regarding a proposal to extend the pilot by a further year to 2019/20.

It was acknowledged that uncertainty around any potential to extend the pilot for a future year would make budgeting difficult for the shared service and respective partner local authorities. Officers agreed that this, together with wider uncertainties around reductions in other grant funding and income streams, made local government financing generally very difficult to manage in the current climate.

A question was raised in respect of the new discretionary relief scheme and the grant distribution in 2018/19 as to whether this could be carried over to future years. Clarification was given that this funding could not be carried forward and

had to be spent within the financial year it was allocated for. Officers were confident that the money allocated would be spent.

Reference was made to appeals against valuations and it was noted that there was still a significant number outstanding from 2010 which had to be accounted for by way of estimating the cost and provisioning within the budget. It was anticipated that more frequent valuations would help improve the situation going forward.

## **6. 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.

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 183 City of Lincoln tenants in receipt of Universal Credit, as of 30 April 2018, 101 of them had an increase in their arrears totalling £41,327. Details relating to North Kesteven would be forwarded to members of the Joint Committee in due course.

The report included information on the Universal Credit Support Team, which sought to undertake the following:

- provide assisted digital support for customers wishing to make a claim;
- help customers maintain their Universal Credit claim by providing assistance in a variety of means;
- provide personal budgeting support.

The Support Team was also responsible for the training of Benefits Officers in Universal Credit and ceasing of relevant Housing Benefit claims, processing Council Tax Support, allocating overpayments to the correct recovery method, as well as several briefings for other departments, as well as external partners including the Department for Work and Pensions.

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.

An number of other welfare reforms introduced from April 2018 were set out in the report and included:

- support for mortgage interest payments;
- employer childcare vouchers no longer available to new claimants;
- self-employed National Insurance contributions change.

Progress with the shared service's high-level Welfare Reform Strategy Action Plan and Universal Credit Preparation Plan was to be monitored by the Joint Committee on a quarterly basis, with updates on both plans attached to the report at Appendix 3.

As part of introducing the report, the Head of the Revenues and Benefits Shared Service explained that the picture in relation to the rollout of Universal Credit was constantly changing, with the team working hard to try and implement what was required. An example was given of full migration scheduled for 2022 which had now been pushed back to 2023.

It was noted that 30% of West Lindsey postcodes would be allocated to the Lincoln Jobcentre as well as some from East Lindsey, and members were reminded that the service was having to work within Jobcentre boundaries rather than local government boundaries. It was emphasised, however, that the shared service would receive funding to support these.

The Head of the Shared Service praised officers of the service for the exemplary way in which they had responded to the complexities of implementing Universal Credit, particularly their willingness to be flexible and go into different roles. Councillor Rosanne Kirk, Portfolio Holder for Reducing Inequality at the City of Lincoln Council, had recently visited the Universal Credit Support Team and commended the team for the work it was undertaking. She was reassured during her visit by the advice that was being given to people, with officers having to deal with very difficult case work and complex issues. It was noted that other local authorities had visited this team and had been impressed with what it was doing.

## **7. Housing Benefit Overpayments Update**

### Purpose of Report

To provide the Joint Committee with an update on the recovery of housing benefit overpayment.

### **Decision**

- (1) That the report be noted.
- (2) That the Joint Committee supports plans to continue with the Housing Benefit Overpayment Action Plan in relation to the areas outlined in the report for 2018/19, including the reallocation of resources to undertake this work.

## Alternative Options Considered and Rejected

None.

### Reason for Decision

As at 2017/18 outturn, the value of outstanding overpayments for the City of Lincoln Council and North Kesteven District Council were £4,219,349 and £1,824,908, respectively. The recovery of overpayments could be at different stages and these were usually broken down into either live Housing Benefit claims or Sundry Debtor.

For live Housing Benefit claims the amount of Housing Benefit awarded was reduced each week by a certain amount, known as an ongoing deduction. This amount was used to reduce the outstanding overpayment until it was cleared. Sundry Debtor overpayments were those where the customer was no longer in receipt of Housing Benefit and the customer was invoiced for the outstanding debt, with the customer then required to set up an arrangement to pay.

In April 2018 the Department for Work 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 review was structured to include:

- an analysis of the existing debt provision;
- specific case sampling;
- interviews with staff;
- process observations;
- prevention of debt;
- information feedback.

A report detailing the findings and recommendations of the review was attached at Appendix 1 to the report. Some good practices were identified whilst conducting the review, such as:

- identifying old debtors – reviewing the status of recovery and moving the recovery stage forward;
- filling the expression of interest for a Housing Benefit overpayment recovery officer;
- identifying debtors suitable to be referred to the Department for Work and Pensions as part of their debt service pilot.

Of the eleven recommendations put forward, as set out in paragraph 15 of Appendix 1 to the report, nine had been included in the Housing Benefit Overpayment Recovery Action Plan which were:

- a review of the current timeline for issuing of reminders;
- a review of the diary dating process;
- putting a process in place to review the level of benefit claw back;
- consideration of claimant capital as a recovery method;
- the introduction of a telephone rota within the recovery team;
- analysis and understanding of management information;
- targeted activity for highest and oldest debts;

- communicating the importance of recovery to all staff so they understood their role;
- collaboration between staff and the Housing Benefit recovery team to share achievements and discuss areas for improvement.

Those recommendations not included in the Action Plan were purposely omitted as they related to quality checking for which there was a separate ongoing project in place.

It was emphasised that the issue of Housing Benefit overpayments was national and not specific to the City of Lincoln or North Kesteven.

## **8. Revenues and Benefits - Financial Outturn 2017/18**

### Purpose of Report

To provide the Joint Committee with the financial outturn for the Revenues and Benefits Shared Service for 2017/18.

### **Decision**

That the report be noted.

### Alternative Options Considered and Rejected

None.

### Reason for Decision

The shared service's business case indicated potential revenue savings of £475,270 per annum following the successful implementation of the new staffing restructure on 1 February 2012. These savings were already factored into the annual budget for the shared service with an allowance for a contingency budget of £20,000 to be set aside to fund any unforeseen circumstances and increased service demands.

The budgets for 2017/18 were increased by £165,949 over and above the base budget assumption, funded from specific grants received from central government for New Burdens.

The financial performance quarterly monitoring report for the third quarter predicted an underspend of £181,887 against the revised budget, after taking into account New Burden grants. This underspend was largely down to £106,000 of New Burdens grant funding, much of which was received in the latter part of the financial year, and £85,000 due to Benefit Officers not being at the top scale of their respective career grades. It was noted that the way in which staffing costs were budgeted would be looked into in order that they were budgeted more accurately in the future.

The City of Lincoln Council had used £50,000 of its proportion of the underspend to help address future reductions in grant funding.

A summary of the main year-end variations against the approved budget for 2017/18 was outlined in the report at paragraph 4.2.

Discussion ensued on agency staffing costs. It was reported that no agency staff had been used for the benefits aspect of the service, however, use of such staff had been necessary and would continue to be necessary in the future at peak times in respect of revenues. This equated to two officers who were highly experienced and were brought in at times of predicted demand to ensure that the shared service fulfilled its requirements during the production and issue of council tax bills. It was noted that it would not be financially viable to employ permanent members of staff for this purpose.

## **9. 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*

Annual outturns had increased by 0.08% for the City of Lincoln Council and 0.06% for North Kesteven District Council. It was noted that 2017/18 was the first year that the City of Lincoln Council made changes to its Localised Council Tax Support Scheme, reducing the level of support in some cases.

In considering the current collection levels, it was noted that the collectable debit for both the City of Lincoln Council and North Kesteven District Council had increased from 2016/17 by £1.98 million and £2.86 million respectively.

In terms of the new financial year, 2018/19, as at the end of April 2018 Council Tax in-year collection had increased for both the City of Lincoln and North Kesteven by 0.16% and 0.03% respectively.

#### *Business Rates*

Annual outturns compared to 2016/17 were noted as follows:

- City of Lincoln – 0.56% down;
- North Kesteven – 0.80% up;
- West Lindsey – 1.19% up.

Although the City of Lincoln Council's in-year collection rate decreased, this was mainly due to some large rateable value schedules coming back from the Valuation Office Agency in March 2018, which were input by officers thereby increasing the debit due considerably without a realistic expectation of payment coming in during the current financial year.

Tables in paragraph 4.9 of the report outlined how 'net collectible debit' and 'total net receipt' compared for each local authority between 2016/17 and 2017/18.

In terms of the new financial year, 2018/19, as at the end of April 2018 business rates in-year collection compared to April 2017 as follows:

- City of Lincoln – 0.68% up;
- North Kesteven – 3.91% up;
- West Lindsey – 2.44% down.

### *Outstanding Revenues Customers*

The number of outstanding revenues customers as at the end of quarter four in 2017/18 showed a very positive position, as outlined in the table at paragraph 4.12 of the report. The key reasons for this were mainly due to the implementation of a number of integrated e-forms during 2017/18, but also a temporary agency resource in place during quarter four to help assist with the predictable increased demand on the team during this period.

### *Housing Benefit Overpayments*

In-period collection as at April 2018 stood at 127.34% for the City of Lincoln and 120.73% for North Kesteven, meaning that more monies had been recovered than raised.

Although in-period Housing Benefit overpayments collection figures remained positive, as demonstrated in the table at paragraph 4.15 of the report, the rising level of outstanding overpayments continued.

A separate item on this issue had been considered by the Joint Committee at this meeting.

### *Benefits Performance*

As at the end of April 2018, benefits customers outstanding figures, split by those who were already in progress against those which had not yet started to be processed, showed that there were 630 claims where the case had not yet been looked at. It was noted that it was a real day-to-day challenge, with decreasing grants from central government also having an impact, to maintain the position of assessing Housing Benefit and Council Tax support claims in a timely and accurate manner whilst also providing vital support to Universal Credit customers. The allocation of resources to a variety of demands would very much be at the forefront of officers' minds moving forward, particularly with Sleaford Jobcentre moving to Universal Credit Full Service in November 2018.

Housing Benefit average processing times were positive and competitive against the national position, with the most recent data available relating to quarter three with the average for new claims being 22 days and 9 days for changes of circumstance.

It was reported that the Revenues and Benefits Shared Service had been shortlisted as finalists for the Institute of Revenues Rating and Valuation Awards 2018 in the following categories:



- Benefits and Welfare Reform Team of the Year;
- Most Improved Team of the Year;
- Excellence in Partnership Working.

Further updates would be provided to the Joint Committee in due course.