

**Present:** Councillor Ric Metcalfe (*in the chair*)  
Councillor Ray Cucksey, Councillor Ric Metcalfe and  
Councillor John Money

**Apologies for Absence:** Councillor Rosanne Kirk

**26. Confirmation of Minutes - 27 November 2018**

RESOLVED that the minutes of the meeting held on 27 November 2018 be confirmed.

**27. Declarations of Interest**

Councillor John Money wished it to be noted that his wife currently benefitted from a reduction in her Council Tax. This was not considered to necessitate a declaration of interest.

**28. 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

The following updates were noted:

*Council Tax*

Comparing Council Tax in-year collection for quarter three 2018/19 to quarter three 2017/18, the City of Lincoln and North Kesteven were lower by 0.30% and 0.33% respectively. For the City of Lincoln at the end of January 2019 this was slightly lower and was 0.90% down. It was noted that the collectable debit for both the City of Lincoln and North Kesteven had increased from 2017/18 by £2.6 million and £3.8 million respectively.

In terms of the position as at the end of October 2018 compared to the position at the end of October 2017, the City of Lincoln was 0.32% lower and North Kesteven 0.22% lower. The single person discount review, which took place earlier in the year, had an impact in terms of raising the amount of revenue to be collected but it was hoped that this would be collected in-year wherever possible.

## *Business Rates*

Comparing quarter three 2018/19 to 2017/18, the City of Lincoln was down by 0.20%, North Kesteven was down by 0.21% and West Lindsey was up by 0.90%. Although the City of Lincoln and North Kesteven were both below last year's quarter three position, the shortfall had improved from the end of quarter two by 0.12% for the City of Lincoln and 0.01% for North Kesteven. Lincoln's position at the end of January 2019 was a reduction of 0.26%. It was noted that the total net receipt had increased from 2017/18 by £1 million for the City of Lincoln, £919,000 for North Kesteven and £693,000 for West Lindsey.

Tables were set out in the report at paragraph 4.8 which showed how net collectable and total net receipt compared for each local authority between 2018/19 and 2017/18.

## *Lincoln Business Improvement District Levy Collection*

The Business Improvement District financial year ran from 1 July to 30 June and the figures set out in the report at paragraph 4.10 represented collection up to the end of quarter three 2018/19. A comparison of in-year collection rates between Business Improvement District financial years showed a decrease in collection, however, this had reduced from 1.27% down at the end of quarter two 2018/19 to 0.33% down at the end of quarter three. Direction of travel was therefore positive and officers would continue to manage performance closely.

## *Outstanding Revenues Customers*

The number of outstanding revenues customers as at the end of quarter three 2018/19 showed an increase since 31 March 2018, however, there had been a significant reduction from 1,138 to 641 which equated to a 44% reduction. The position had increased due to a single person discount review and subsequent enquiries, together with the introduction of Council Tax e-forms resulting in processes becoming more efficient.

The table at paragraph 4.12 of the report set out comparisons for the City of Lincoln and North Kesteven. As per the end of January 2019 the figures for the City of Lincoln and North Kesteven were reported as 209 and 116 respectively.

## *Housing Benefit Overpayments*

Although in-period collection rates had slipped during quarter three due to an unforeseen staffing capacity reduction in this area, the overall position was still positive as outstanding housing benefit overpayment levels continued to reduce. This was outlined in the table at paragraph 4.15 of the report.

## *Benefits Performance*

The table at 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. It was noted that for the City of Lincoln, although the customers awaiting assessment level was relatively high, this was due to the larger Housing Benefit caseload in comparison to North Kesteven.

The rollout of Universal Credit Full Service continued to have a significant impact on processing performance, with the Benefits Team receiving 18,823 Universal Credit documents since 1 April 2018 up to 25 January 2019. Each of these documents required assessment with Benefits Officers having to review the document and make a decision as to the assessment required. As a result, there had been a significant increase in documents needing to be assessed, particularly for the City of Lincoln due to Universal Credit being live at Lincoln Jobcentre Plus since March 2018.

The table set out in paragraph 5.2 of the report set out figures relating to outstanding benefits customers split by those who were already in progress against those which had not yet started to be processed. Out of the 1,209 customers outstanding and not yet contacted, 896 were Universal Credit documents. 722 of these related to the City of Lincoln, with 174 associated with North Kesteven. The latest figures were reported at the meeting, with there being a total of 1,158 outstanding in respect of the City of Lincoln with the oldest date being 29 January 2019 and 454 outstanding in respect of North Kesteven with the oldest date being 4 February 2019.

In terms of Housing Benefit average processing times, the table at paragraph 5.4 of the report showed the figures for new claims and changes of circumstance for the last five financial years. The figure for the City of Lincoln had slightly changed to 26.58 for the City of Lincoln from the end of January 2019. Changes of circumstance average processing times were relatively equal to the same point in 2017/18 and would improve further in quarter four, as was usual with a high number of '1 day' processing items for the new financial year.

New claims performance for both local authorities had slipped in comparison to 2017/18, although the City of Lincoln's average processing time had improved by 1.16 days from quarter two to quarter three 2018/19. Housing Benefit claims where a Universal Credit claim was being made as well was resulting in local authorities having to wait for the Universal Credit decision to be made, which was taking around six weeks on the Housing Benefit entitlement. This delay by the Department for Work and Pensions had contributed to the increase in processing times for new claims. It was noted that a rolling action plan was in place which sought to further improve performance in this area.

The table at paragraph 5.5 of the report set out the outcomes of claims checked under the service's quality checking regime. The City of Lincoln's percentage at the end of January 2019 had increased slightly to 87.21%. In 2018/19 to date 183 claims had been checked for the City of Lincoln with 158 being correct first time. For North Kesteven, 287 claims were checked with 274 being correct first time. As Universal Credit had been rolled out in Lincoln since March 2018, and Sleaford since November 2018, there had been concentration on checking these claims which were time consuming and more likely to contain initial errors due to the complexity of the cases. It was anticipated, however, that this would improve over time, with the City of Lincoln's performance having already improved by 2.34% from quarter two to quarter three in 2018/19.

Members were pleased to see that e-forms were having a high impact on the processes and efficiency of the service.

During discussion regarding Universal Credit and roll out of Full Service at Sleaford, members appreciated that it was probably too early to analyse the impact on customers. Clarification was sought, however, as to whether everything

was being rolled out according to plan. It was reported that there had been no significant implications and, as expected due to the smaller client group, the statistics for Sleaford in respect of Universal Credit customers had been much lower than Lincoln.

## **29. Business Rates Update**

### Purpose of Report

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

### **Decision**

That the report be noted.

### Alternative Options Considered and Rejected

None.

### Reason for Decision

The following updates were noted:

#### *Supporting Small Business Relief Scheme – 2017/18 to 2020/21*

Total awards as at 30 June 2018 for the City of Lincoln, North Kesteven and West Lindsey equated to £6,473, £23,684 and £19,926 respectively. For both the City of Lincoln and North Kesteven there had been a reduction of one hereditament since the last meeting of this Committee, which was due to an increase in the rate value for these properties.

#### *Support for Pubs Scheme – 2017/18 to 2018/19*

Total awards as at 30 June 2018 for the City of Lincoln, North Kesteven and West Lindsey equated to £23,975, £28,371 and £26,118 respectively. There had been no change in the number of awards since the last meeting of this Committee.

#### *Discretionary Relief 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 between £25 and £500. The relief to be awarded for 2018/19 had increased from 50% to 70%, providing additional support to those ratepayers;
- 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;

- West Lindsey – this was a percentage reduction scheme, with all identified ratepayers receiving a 50% reduction. This was a decrease from 2017/18 of 80%.

### *Review of 2018/19 Awards*

A review of awarded relief took place during November and December 2018. As a result, the schemes had been adjusted to ensure all funding was awarded up to 30 September 2019. The schemes had therefore been amended, as follows:

- City of Lincoln:
  - increased the 50% award to 72.5% for those in the second band of the scheme;
  - £85 to be awarded to all those in the third band of the scheme and above;
  - this would result in an additional award of £14,623.
- North Kesteven:
  - £50 would be awarded to all those in the second band of the scheme;
  - £200 would be awarded to all those in the third band of the scheme and above;
  - this would result in an additional award of £25,900.
- West Lindsey:
  - increased the relief from 50% to 58%;
  - this would result in an additional award of £10,075.

A comparison of the new Discretionary Relief Scheme for 2017/18 and 2018/19 was set out in the report and showed the number of accounts identified, together with the total cost of relief.

During quarter four of 2018/19 officers were undertaking 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 2019/20 charge had increased as a result.

### *Business Rate Pilot – 100% Business Rates Retention in 2018/19 and 75% in 2019/20*

Details relating to the Government's announcements in relation to plans for 2019/20 Business Rates Retention Pilots were set out in paragraph 5.4 of the report.

The existing 2018/19 Lincolnshire pilot members had assessed the benefits and any risks associated with a 75% pilot. Local Government Futures had been commissioned to review the latest publicly available Business Rate projections in order to ascertain whether they were likely to reflect further growth in the business rate base or were predicting a decline in business rate collection. Initial projections of a 75% pilot based on the current pilot member authorities indicated that a further 9.9 million of business rates could be retained in the county during 2019/20. If the pilot bid was approved and these additional funds materialised, they would be available to be distributed across Lincolnshire and Greater Lincolnshire on an agreed basis.

Unfortunately a bid for 100% pilot status was not one of the 15 successful applications approved, therefore, both authorities would revert to being part of the Lincolnshire Pool in 2019/20 along with the County Council and other Lincolnshire Districts.

#### *Recent Court of Appeal Decision – Automated Transaction Machines*

Further to the update at the last meeting of the Committee, the Valuation Office Agency had submitted an application on 10 December 2018 for the right of appeal to the Court of Appeals ruling in respect of Automated Transaction Machines built into the front of a shop or petrol station having a separate business rates bill. Officers understood that the Supreme Court may take up until June 2019 to decide whether to hear the case, potentially adding a further 18 months to two years before a further decision was made.

Paragraph 6.1 of the report set out that there was concern that some owners of properties that were not genuine businesses may seek to reduce their tax liability by falsely declaring that the property was available for let. A question was asked as to whether there was any evidence to support this. No evidence had been gathered, but this had been raised as a concern as part of the pre-consultation process and was now being investigated by the Team Leader to establish whether or not this was an issue for the local authority.

With regard to the Automated Transaction Machine appeal process, members asked whether there had been any indication from the Government that it would provide support to local authorities should businesses be able to appeal. It was unclear at this stage whether the Government would reimburse local authorities and that local authorities were obliged to make provision for appeals as part of its budgeting. The Government may, therefore, expect local authorities to have made adequate provision as part of this process to cover the cost of any appeals businesses may submit in this respect. The issue for local authorities, however, could be with backdated claims. Lincolnshire Finance Officers had recently met and a fundamental review across the board would be undertaken to determine how much should be allocated for appeals given the potential outcome of the Supreme Court case. In light of the current 100% business rates pilot and subsequent review of business rates, the timing was not in local authorities' favour to expect any assistance from Government.

A question was raised in respect of the support for pubs scheme and whether the relief only related to those establishments that were licensed. It was agreed that this matter would be clarified by officers and picked up outside of the meeting with the member who asked the question.

Clarification was sought as to whether charity shops received reductions in business rates and it was reported that registered charities would be entitled to discretionary and mandatory relief. There were also issues with the sale of charitable or 'new' goods from certain charitable establishments and this was something that the local authority actively investigated.

In relation to holiday lets, it was understood that a number of businesses were registered as holiday homes but opted to pay Council Tax as a single person dwelling. Clarification was provided that it would be up to the Valuation Office to determine whether a property was residential or commercial. If a holiday home fell under the category of a residential property a valuation and Council Tax

banding would apply in the same way as it would with any other residential property.

### **30. Housing Benefit Overpayments Update**

#### Purpose of Report

To provide the 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

A copy of the latest version of the Housing Benefit Overpayment Recovery Action Plan was appended to the report, which had been produced as a result of the review undertaken by the Department for Work and Pensions' Performance Development Team. The Action Plan was used as a working document and provided the Housing Benefit Overpayment Team with a clear direction for the work which was being undertaken during the next nine months.

Paragraph 5.2 of the report outlined the specific actions already undertaken. The Action Plan continued to be monitored by the Revenues and Benefits Manager and formed part of meetings with the Benefit Team Leader and the Housing Benefit Overpayment Recovery Team.

As part of the formation of the Housing Benefit Overpayment Project, officers had reviewed all recovery methods available for all stages of debt. The stages 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.

The table set out at paragraph 6.2 of the report showed the improvements for quarters one and two for 2018/19 for the City of Lincoln and North Kesteven since the project started in June 2018. Since the start of the project, the total overpayments outstanding had reduced by £568,399 which equated to £472,614 for the City of Lincoln and £157,355 for North Kesteven. The total amount currently outstanding was just under £3.8 million, which was within the target of £4 million.

A question was raised on the issue of overpayments and whether there was anything systematically that could be improved to prevent overpayments occurring. It was reported that the team was constantly reviewing how it dealt with information from customers and that as much information as possible received from the Department for Work and Pensions was automated so that no manual updates were necessary, cutting out any potential for errors to occur. There

would always be an element of overpayment, however, as the service was reliant on being informed of changes in a customer's circumstances either by the customer themselves or the Department for Work and Pensions, for example which did not always occur. In respect of Universal Credit customers, the Department for Work and Pensions was able to share information relating to changes in circumstances straightaway. Officers explained that, similarly, it would be useful to be able to use the HMRC link with Council Tax and localised Council Tax support claims. This could not be done presently although it was hoped that this would be implemented in the future to improve the accuracy of customer information relating to changes in circumstances.

### **31. 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 Options Considered and Rejected

None.

#### Reason for Decision

Statistics in relation to the national progress of Universal Credit were set out in paragraph 4.1 of the report, with recent Universal Credit changes as a result of the Autumn 2018 budget announcement and January 2019 announcement also outlined in Appendix 1 attached to the report. 1.6 million households now received Universal Credit nationally, 560,000 of which were in employment.

The Welfare Reform and Project Officer had been working with the City of Lincoln and North Kesteven housing colleagues to monitor the impact Universal Credit claims were currently having on rent collection. As of 31 December 2018, 976 City of Lincoln tenants were in receipt of Universal Credit. 485 of these tenants were in arrears totalling £157,595.91, with 462 cases having decreased by £110,840.66 from the date of claim and 289 not in arrears or credit. Of the 124 North Kesteven tenants in receipt of Universal Credit as at 31 December 2018 there had been an increase in arrears for 100 tenants totalling £51,152.

The Universal Support Team continued to work on a rota basis and provide a range of support services as set out in paragraph 7.2 of the report. Team Leaders were currently reviewing how Universal Credit claims were processed and would be putting guidance together for all processing staff. This would clarify processes relating to the cessation of relevant Housing Benefit claims, processing Council Tax support and allocating overpayments to the correct recovery method.

Statistical information via the Universal Credit Dashboard was appended to the report, which provided key information relating to the team outputs together with regional and national updates as at the end of quarter two.

Progress with the Shared Service's Welfare Reform Strategy Action Plan and Universal Credit Preparation Plan was set out in Appendix 4 of the report. The Action Plan was fluid and flexible to respond to changes in welfare reform in relation to priorities, changes and demands.

Discussion ensued on the decision that had been taken by Government to contract nationally with Citizens Advice to provide Universal Credit support services from 1 April 2019 as part of standardising the implementation of the benefit across the country. Since this decision had been announced in October 2018 officers from the Shared Service had been communicating with the Department for Work and Pensions and the local Citizens Advice offices in Lincoln and Sleaford. It was noted that the Universal Credit Support Service currently provided by the Shared Service worked very well and was undertaken on a holistic approach, regarding which one option could potentially be to continue in partnership with Citizens Advice in Lincoln, albeit with less funding. It was unclear at this stage, however, whether Citizens Advice could, in effect, sub-contract this back to the local authority.

With regard to Universal Credit customers in Sleaford, a decision had been taken by the Mid-Lincolnshire Citizens Advice office, which covered Boston, Sleaford and Stamford, to provide Universal Credit support services itself. A significant amount of work needed to take place regarding the support provided to customers in Sleaford, particularly those in receipt of Universal Credit who may be entitled to other benefits administered by the local authority. The current arrangements, through the existing support team, would ensure that these customers received access to any other entitlement provided by the local authority. The local authority would still have a vested interest in supporting customers under the new Universal Support arrangements, so it was important that adequate communication, particularly with Sleaford customers, took place in order that it was clear how and where they would receive support and that referrals to the local authority took place.

An assurance was given to members that the focus from the perspective of the Shared Service, Department for Work and Pensions and Citizens Advice was solely on the customer in relation to Universal Credit support.

A question was raised as to whether a recipient of the state pension would remain in receipt of housing benefit rather than transferring to Universal Credit. It was noted that this would be the case, however, if the person in receipt of the state pension was in a 'mixed age couple' it may be that they would be required to claim for Universal Credit as opposed to housing benefit.

A further question was asked regarding a young lady with a child under the age of 21 and whether they would be classed as vulnerable in such circumstances. Officers agreed to confirm this with the member who asked the question outside of the meeting.

## **32. Revenues and Benefits - Quarter 3 2018/19 Monitoring**

### Purpose of Report

To present the Joint Committee with the third quarter's performance for the Revenues and Benefits Shared Service for 2018/19.

## **Decision**

That the report be noted and the budget adjustments for 2018/19 as per paragraph 3.2 of the report 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 of £2,285,710 for the service, which had since been increased after receipt of New Grants Burdens. The budget had therefore subsequently been revised as set out in paragraph 3.2 of the report.

Financial performance for the third quarter of 2018/19 was detailed in Appendix 1 attached to the report, which reported that at quarter three there was an underspend against the approved budget of £78,316.

The forecast outturn for 2018/19 predicted that there would be an underspend against the approved budget of £165,248. A summary of the main forecast year-end variations against the approved budget for 2018/19 was outlined in Appendix 2 and included:

- IT costs, salaries, New Burdens Grants and printing, postage and stationery associated with benefits;
- IT costs, subscriptions and printing, postage and station associated with revenues local taxation.

A forecast underspend of £165,248 represented a variance of 7% against the total Shared Service budget. Subject to the final outturn position, it would be proposed that a significant proportion of the underspend be carried forward to 2019/20. In discussing how any monies carried forward could be utilised, members agreed that they could support the following:

- continuation of the housing benefit overpayments project;
- Universal Credit support;
- continuation of delivery of Council Tax and Housing Benefit support services.

## **33. Revenues and Benefits - Base Budget Forecast 2019/20**

### Purpose of Report

To present the Joint Committee with the base budget forecast for the Revenues and Benefits Shared Service for 2019/20.

## **Decision**

That the base budget forecast for the Revenues and Benefits Shared Service for 2019/20 be approved.

## Alternative Options Considered and Rejected

None.

## Reason for Decision

The base budget forecast for the Revenues and Benefits Shared Service had been prepared and was attached to the report at Appendix 1.

A review of each line of the budget had taken place to ensure a fair representation of the activity of the service which had led to budgets being transferred between different shared service functions. Although each authority had a different percentage of each service, this had not led to either authority significantly paying more across the service as a whole. There had, however, been an increase each year in the base budget from last year's budget due to costs for subscriptions and printing. In the most part these had been offset by reviewing all staff budgets and being more accurate on the budgeting of career graded posts which in the past had been budgeted to prudently. A full reconciliation to the previous base budget forecast was attached at Appendix 2 to the report.

Despite inflationary cost pressures, the base budget forecast for 2019/20 of £2.367 million was only £18,470 higher than the initial base budget set for 2012/13, demonstrating the on-going efficiencies being delivered by the Shared Service.