



**North Kesteven**  
DISTRICT COUNCIL



CITY OF  
**Lincoln**  
COUNCIL

## SHARED REVENUES AND BENEFITS JOINT COMMITTEE

**Tuesday, 19 February 2019**

**2.00 pm**

**Committee Room, North  
Kesteven District Council  
Offices - North Kesteven  
District Council Offices**

Membership:	Councillors Ray Cucksey (North Kesteven District Council), Rosanne Kirk, Ric Metcalfe (City of Lincoln Council) and John Money (North Kesteven District Council)
Substitute members:	Councillors Peter Burley (North Kesteven District Council), Sue Howe (North Kesteven District Council), Donald Nannestad (City of Lincoln Council) and Fay Smith (City of Lincoln Council)
Officers attending:	Democratic Services (City of Lincoln Council), Jaclyn Gibson (City of Lincoln Council), Philip Roberts (North Kesteven District Council), Claire Moses (City of Lincoln Council), Russell Stone (North Kesteven District Council) and Martin Walmsley (City of Lincoln Council)

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## A G E N D A

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<b>SECTION A</b>	<b>Page(s)</b>
1. Confirmation of Minutes - 27 November 2018	<b>3 - 12</b>
2. Declarations of Interest	
Please note that, in accordance with the Members' Code of Conduct, when declaring interests members must disclose the existence and nature of the interest, and whether it is a disclosable pecuniary interest (DPI) or personal and/or pecuniary.	
3. Performance Update	<b>13 - 22</b>
4. Business Rates Update	<b>23 - 32</b>
5. Housing Benefit Overpayments Update	<b>33 - 56</b>
6. Welfare Reform and Universal Credit Update	<b>57 - 96</b>

- |   |           |
|---|-----------|
| 7. Revenues and Benefits - Quarter 3 2018/19 Monitoring | 97 - 102  |
| 8. Revenues and Benefits - Base Budget Forecast 2019/20 | 103 - 106 |

**Details of Next Meeting:** Tuesday, 4 June 2019 (2.00 pm) in Committee Room 1, City Hall

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

**Apologies for Absence:** Councillor Rosanne Kirk and Councillor John Money

**18. Confirmation of Minutes - 17 September 2018**

RESOLVED that the minutes of the meeting held on 17 September 2018 be confirmed.

**19. Declarations of Interest**

No declarations of interest were received.

**20. Financial Monitoring Quarter 2 2018/19**

Purpose of Report

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

**Decision**

That the report be noted.

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 which set a budget of £2,285,710 for the service. This had since been increased after receipt of New Burdens Grants with the budget adjustment totalling £51,770.

Financial performance for the second quarter of 2018/19 was set out in Appendix 1 to the report but it was noted that there was an underspend against the approved budget of £46,748.

The forecast outturn for 2018/19 predicted that there would be an underspend against the approved budget of £100,831. A summary of the main forecast year-end variations against the approved budget was set out in paragraph 4.3 of the report, with the main variations being due to all salaries at career grades being budgeted at the top of their grades and receipt of New Burdens Grants.

In answer to a question regarding New Burdens Grants, it was noted that this funding did not have to be returned if it was unspent at the end of the financial year.

With regard to salaries, the current model of budgeting those salaries on career grades at the top of their grades would be changed moving forward to more accurately represent actual grades in the knowledge that not all officers were on the top of the career grade.

## **21. 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*

Comparing Council Tax in-year collection for quarter two 2018/19 to quarter two 2017/18 indicated that the City of Lincoln and North Kesteven was lower by the same percentage of 0.37%. It was noted, however, that the collectible debit for both the City of Lincoln and North Kesteven had increased from 2017/18 by £2.5 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 was 0.22% lower. A single person discount review had been undertaken for both the City of Lincoln and North Kesteven as part of a countywide process. As a result of this, single person discounts had been removed for 722 Lincoln accounts and 484 North Kesteven accounts. This had raised the amount of revenue to be collected by £218,724 for Lincoln and £153,176 for North Kesteven, which would have an impact on collection rates until this additional revenue was collected.

#### *Business Rates*

Comparing quarter two 2018/19 to 2017/18, the City of Lincoln was down by 0.56%, North Kesteven was up by 3.56% and West Lindsey was up by 0.11%.

In terms of the position at the end of October 2018 compared to the position at the end of October 2017, the City of Lincoln was 0.93% lower, North Kesteven was 0.27% higher and West Lindsey was 0.01% higher. It was noted that there were a number of factors affecting Lincoln's business rates at this point in time not only relating to collection but liability in general. These included an increase in empty and exempt properties and a large increase in net collectable debit.

In terms of the current collection levels, the total net receipt had increased from 2017/18 by 955,000 for the City of Lincoln, £1.1 million for North Kesteven and £790,000 for West Lindsey. Tables outlining the net collectible debit were set out in paragraph 4.10 of the report.

### *Business Improvement District Levy Collection*

The Business Improvement District financial year ran from 1 July to 30 June, so the figures set out in the report represented the collection up to the end of quarter two 2018.

A comparison of in-year collection rates between the Business Improvement District financial years ending 30 September 2017 and 30 September 2018 showed a decrease in collection by 1.27%. It was reported that officers did not consider this of major concern but would continue to monitor and manage it closely.

### *Outstanding Revenues Customers*

The number of outstanding revenues customers as at the end of quarter two 2018/19 showed an increase since 31 March 2018 which was due to reduced numbers of staffing through unforeseen circumstances during the first quarter. The position had been maintained during quarter two despite a considerable amount of additional work being undertaken on student reviews and single person discount enquiries. Due to the electronic forms which had been developed, processes were becoming more efficient and as a result almost all student properties had been reviewed three months earlier than usual. The Council Tax Administration Team was continuing to work with the City of Lincoln's Business Development Team to continue to implement and improve processes to channel shift customer contact, internal contact and adapt lean principles.

As at the end of October 2018 there were 768 outstanding revenues customers for the City of Lincoln and 321 for North Kesteven. Whilst this had increased since the end of quarter two for the City of Lincoln, the rate of increase was not as high as in previous months and could be attributed to the additional work undertaken, particularly around student accounts.

### *Housing Benefit Overpayments*

Quarter two of 2018/19 indicated that more monies had been recovered than raised, with the City of Lincoln equating to 106.75% and North Kesteven equating to 116.43%, as a result of the work being undertaken by the Housing Benefit Overpayment Recovery Team. In addition to this level of positive performance, the level of outstanding overpayments was starting to reduce as illustrated in the table set out at paragraph 4.19 of the report.

It was noted that a separate item on Housing Benefit overpayments would be considered at this meeting.

### Benefits Performance

As at quarter two for 2018/19 the City of Lincoln had 1,520 outstanding benefits customers awaiting assessment and North Kesteven had 471. It was important to note 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 live caseload for the City of Lincoln was 6,887 with North Kesteven being 4,283. As a result of this the City of Lincoln received a higher volume of documents.

The rollout of Universal Credit Full Service had made a significant impact on processing performance, with the benefits team receiving 12,457 Universal Credit documents since April 2018. Officers were currently working on the automation of a number of Universal Credit documents which should improve efficiencies within the teams, with each of these documents currently requiring assessment.

A breakdown of benefits outstanding customers, split by those already in progress where the customer had been contacted and those where customers had not yet been contacted, was set out in paragraph 5.2 of the report. Members were pleased to see that the number of customers awaiting assessment for the City of Lincoln had reduced in month by 401 which was a direct result of the overtime and review of processes which had taken place. It was noted that the oldest case in the system dated back to 13 November for the City of Lincoln and 8 November for North Kesteven whereas the oldest case was over six weeks old when previously reported.

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 circumstances for the last five financial years. New claims performance levels had improved when compared to quarter one in 2018/19 with the City of Lincoln by 1.97 days and North Kesteven by 1.05 days.

The accuracy of processing claims was just as important as their prompt processing and the table at paragraph 5.5 of the report set out the number of claims checked under the service's quality checking regime since the formation of the shared service. During quarter two a total of 71 claims were checked for the City of Lincoln and 95 for North Kesteven.

Discussion ensued on the demand placed on the service, with the introduction of Universal Credit meaning that the service was having to do more with less resources. It was noted that this was one of the main reasons why there was a drive to introduce more efficient ways of working, such as electronic forms and self-service options for customers to utilise. The Head of the Shared Service explained that it was his role to ensure that the service was performing as expected and with optimal efficiency within the resources available. In the current climate, therefore, in answer to a question regarding the prospect of additional staffing it was noted that this was highly unlikely and that the service would be managed as effectively as possible despite reduced funding centrally.

## **22. 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

As Full Service roll-out progressed with Universal Credit, the number and range of people claiming Universal Credit was likely to grow quickly. As of 24 October 2018 there were 517 jobcentres running the Full Service with roll-out scheduled to be completed by December 2018. As of 13 September 2018, 1,220,443 households received Universal Credit which was a 10% increase from August 2018, of which 35% were in employment.

A number of changes to Universal Credit had been introduced as part of the Autumn 2018 budget announcements which impacted the following:

- Universal Support;
- Universal Credit Work Allowance increase;
- extra held for households moving onto Universal Credit;
- funding for previously announced measures;
- support for 18 to 21 year olds and supported housing;

A major announcement in respect of Universal Support was that Citizens' Advice would deliver the Full Service Universal Credit solely from April 2019. There was still a great deal of clarity required regarding how this arrangement may work, what the exact scope was and what local authorities' roles may be. Concerns were noted in respect of how the model may operate and whether or not it would match the holistic service to Universal Credit customers currently being provided by the shared service to residents of Lincoln and North Kesteven. A pilot would be undertaken to test the work needed prior to April 2019 and it was noted that no, or very little, consultation with local authorities had taken place ahead of this announcement which had been met with some surprise across the country. Officers were shortly due to meet with representatives of the Department for Work and Pensions and Citizens' Advice locally on 29 November 2018 to establish any further developments in respect of the announcement and what this may mean going forward.

Further details relating to these areas of change were set out in paragraphs 5 and 6 of the report.

The Welfare Reform and Project Officer had been working with the City of Lincoln Housing and North Kesteven Housing colleagues to monitor the impact Universal Credit claims were currently having on rent collection. The data showed that of the 863 City of Lincoln tenants in receipt of Universal Credit, as of 12 November 2018 there was an increase in arrears for 583 tenants totalling £177,113. For North Kesteven 77 tenants were in receipt of Universal Credit and an increase in arrears for 70 tenants totalled £36,870.

The Universal Credit Support Team continued to work on a rota basis and was located in Lincoln Jobcentre to be on hand to support customers and a dedicated email address and telephone number were in place for direct access to the team. This team provided assisted digital support for customers wishing to make a range of related claims, helped customers maintain their Universal Credit claim by providing assistance and also provided personal budgeting support. It was noted that the team continued to work very well and was providing an excellent

service to its customers. For the City of Lincoln, 432 customers had received assisted digital support and 176 customers had received personal budgeting support, whereas for North Kesteven 38 customers had received assisted digital support and 31 customers had received personal budgeting support.

Sleaford Jobcentre went live with Universal Credit on 14 November 2018 and officers had been reviewing the objectives and outcomes of the Universal Credit Support Team based in Lincoln to ascertain whether the positive partnership working arrangements with Jobcentre Plus and internal processes that needed to be and could be replicated in the Sleaford office. It was confirmed that this would be put in place which was very positive and demonstrated the excellent relationship that had been built up between the Shared Service and the Department for Work and Pensions. It was reported that rollout at the Sleaford office would be slower than that experienced at the Lincoln office but this would help staff ensure that they were prepared and adequately trained.

The Universal Credit performance dashboard had been updated with statistical information and provided key information relating to the teams' outputs along with regional and national updates as at the end of quarter two. These were appended to the report.

The Joint Committee congratulated the Revenues and Benefits Shared Service for securing the Institute of Revenues Rating and Valuation's Excellence in Partnership Working Award 2018, which was a prestigious national award. Whilst the submission for this award focussed on the Shared Service as a whole, there was also a key section around the service's Universal Credit support work with local Department for Work and Pensions colleagues and the 'flagship' service provided to its customers.

## **23. 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

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

The number of hereditaments that had been identified for 2018/19 and had benefitted from the scheme as at 30 June 2018 for each of the three authorities was as follows:

- City of Lincoln – eight had been identified, five had responded and a total award of £7,007 had been made;

- North Kesteven – 23 had been identified, 18 had responded and a total award of £24,178 had been made;
- West Lindsey – 26 had been identified, 15 had responded and a total of £19,926 had been made.

#### *Support for Pubs Scheme 2017/18 – 2020/22*

The number of application forms returned as at 30 June 2018 were noted as follows:

- City of Lincoln – 63 had been identified and 24 awards had been made totalling £23,975;
- North Kesteven – 40 had been identified and 30 awards had been made totalling £28,371;
- West Lindsey – 59 had been identified and 29 awards had been made totalling £26,118.

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

During quarter one of 2018/19 officers had undertaken a number of exercises to correctly identify those ratepayers who 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 and the reward 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;
- North Kesteven – this was a banded scheme and 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%.

Chief Finance Officers had delegated authority to approve the 2018/19 scheme and, as a result, the relief had been awarded to all accounts identified and ratepayers had been issued with a decision notice and letter of explanation. This was much earlier than for the 2017/18 scheme and in doing this ratepayers could declare whether any relief awarded would not exceed the state aid limit.

A review of awarded relief would take place during November and December 2018. As a result, the schemes may be adjusted to ensure all funding was awarded up to 30 September 2019. The respective table set out in paragraph four of the report showed the number of accounts identified and the total cost of relief for both 2017/18 and 2018/19 for comparison purposes.

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

Based on an assessment of the amount of business rates that were expected to be collected during 2018/19, the additional resources currently estimated to be retained through the pilot was £18.6 million, of which £1.4 million was attributable each to the City of Lincoln and North Kesteven. Although the bids were only awarded for a one year period, the 2018/19 Local Government Finance Settlement promised a further round of new pilots in 2019/20.

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 included as part of that announcement were set out in paragraph 5.4 of the report.

Following consideration by the Chief Executives and Section 151 Officers, a bid for 2019/20 pilot status based on the existing pilot authorities was submitted in September. As part of the bid submission, a request had been made to form a Lincolnshire business rate pool should the 100% business rate retention not be approved. The outcome of the pilot bid was expected to be received at the time of the Local Government Finance Settlement scheduled for 6 December 2018.

### *Autumn Budget 2018*

The Autumn budget 2018 was announced on 29 October 2018 and key issues affecting business rates were noted as follows:

- The cutting of bills by one third for retail properties with a rateable value below £51,000 for two years from April 2019 in recognition of the challenges high streets faced from changing consumer behaviour;
- the introduction of business rates public lavatories relief;
- the introduction of business rates local newspaper discount;
- business rates treatment of self-catering and holiday let accommodation.

It was further announced that local authorities would be fully compensated for the loss of income as a result of the second and third measures, with further announcements expected as to how the first and fourth measure would be funded.

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

In 2013 a decision was taken by the Valuation Office for Automated Transaction Machines built into the front of a shop or petrol station to have a separate business rates bill. This ruling was upheld in 2017. As a result, cash machines were brought into the Valuation Rating List but this was further appealed by large chain supermarkets. On 9 November 2018, large chain supermarkets had their appeal heard by the Court of Appeal and the case was won resulting in cash machines no longer being given separate business rates bills.

In terms of the impact locally, dating back to the 2010 list, this had the following implications for the shared service:

- 36 machines in Lincoln resulting in a refund of £612,000;
- 14 machines in North Kesteven resulting in a refund of £293,000;
- 10 machines in West Lindsey resulting in a refund of £206,000.

It was noted that there was provision in the budget for refunds as a result of decisions on appeals taken by the Valuation Office, although due to the significance of these particular refunds there may be a budget pressure should any other large refunds be awarded during this financial year. In discussing this matter, Members made the point that it was the Valuation Office's decision to enter cash machines on the Valuation Rating List as opposed to local authorities.

## **24. 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

The Housing Benefit Overpayment Recovery Action Plan was attached to the report at Appendix 1 and was being used as a working document to provide the Housing Benefit Team with a clear direction for the work which would be undertaken over the next nine months to address overpayments.

A number of actions had already taken place since the last meeting of the Joint Committee, as set out in paragraph 5.2 of the report.

As part of the formation of the housing benefit overpayment project, officers had reviewed all recovery methods available for all stages of debt, with stages 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.

Officers were therefore 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.

The table at paragraph 6.2 of the report showed the improvements for quarter one and quarter 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 £296,599, with £185,342 attributable to the City of Lincoln and £101,257 for North Kesteven.

It was noted that the rate of recovery of the overpayments was exceeding the creation of overpayments, which currently showed an in period collection rate of 106.75% for the City of Lincoln and 116.43% for North Kesteven.

## **25. Revenues and Benefits Shared Service Business Plan 2019/20**

### Purpose of Report

To provide the Joint Committee with an opportunity to consider the Revenues and Benefits Shared Service Business Plan 2019/20.

### **Decision**

That the Annual Business Plan for the Revenues and Benefits Shared Service 2019/20 be approved.

### Alternative Options Considered and Rejected

None.

### Reason for Decision

The Revenues and Benefits Shared Service Business Plan for the financial year 2019/20 was included as Appendix 1 to the report, with key features noted as follows:

- key achievements in 2018/19;
- savings in 2018/19;
- key activities for 2019/20;
- strategic priority schemes 2019/20;
- Towards Financial Sustainability projects 2019/20;
- key risks;
- safeguarding;
- equality actions;
- working in neighbourhoods;
- workforce development;
- social value;
- data protection and information governance.

It was agreed that 2018/19 had been another positive year for the Shared Service with most areas of performance progressing well, continued implementation and embedment of integrated e-forms as well as a whole host of improvement and partnership projects as set out in the report. Members noted that these noticeable achievements had been carried out under the ongoing demands placed on the service from both national and local challenges, such as welfare reform and the current economic climate.

**SUBJECT: PERFORMANCE UPDATE**

**DIRECTORATE: CHIEF EXECUTIVE**

**REPORT AUTHOR: MARTIN WALMSLEY, HEAD OF SHARED REVENUES AND BENEFITS**

## **1. Purpose of Report**

- 1.1 To provide Members with an update on performance in the Revenues and Benefits shared service.

## **2. Executive Summary**

- 2.1 This report provides an update on Revenues and Benefits performance information – for Quarter 3 2018/19.
- 2.2 The Revenues and Benefits Shared Service has now been in operation since 1<sup>st</sup> June 2011, and performance has been maintained and improved whilst continuing to provide value for money. Continual improvement and success is being achieved in terms of both statistical and financial performance, as well as positive outcomes for customers of the partner local authorities.

## **3. Background**

- 3.1 At the 27<sup>th</sup> November 2018 meeting of this committee, a report was presented detailing Revenues and Benefits performance up to the end of October 2018.
- 3.2 Performance is reported to this committee on a quarterly basis.

## **4. Revenues Performance**

### **4.1 Council Tax**

- 4.2 Comparing Council Tax in-year collection for Quarter 3 2018/19 to Quarter 3 2017/18, City of Lincoln and North Kesteven are lower by 0.30% & and 0.33% respectively.
- 4.3 When considering the current collection levels, it should be noted that the collectable debit for both City of Lincoln and North Kesteven has increased from 2017/18 by £2.6m and £3.8m respectively.
- 4.4 In terms of the position as at end October 2018 compared to the position at the end of October 2017, City of Lincoln is 0.32% lower and North Kesteven 0.22% lower. The Single Person Discount review, which took place earlier this year, has had an impact in terms of raising the amount of revenue to be collected, although it is hoped this can be collected in-year wherever possible.

#### 4.5 Business Rates

- 4.6 Comparing Quarter 3 2018/19 to 2017/18, City of Lincoln is down by 0.20%, North Kesteven down by 0.21% and West Lindsey up by 0.90%. Although Lincoln and North Kesteven are both below last year's Quarter 3 position, the shortfall has improved from the end of Quarter 2 by 0.12% (Lincoln) and 0.01% (North Kesteven).
- 4.7 When considering the current collection levels it should be noted that the total net receipt has also increased from 2017/18 by £1m for City of Lincoln, £919k for North Kesteven and £693k for West Lindsey.
- 4.8 The tables below in paragraph 4.10 show how 'Net collectable debit' and 'Total net receipt' compared for each local authority, between 2018/19 and 2017/18.

#### City of Lincoln:

	Total net receipt (£)	Net collectable debit (£)
2018/19	38,696,874	44,877,853
2017/18	37,889,196	43,838,636
Difference	<b>+870,678</b>	<b>+1,039,217</b>

#### North Kesteven:

	Total net receipt (£)	Net collectable debit (£)
2018/19	23,102,541	27,178,866
2017/18	22,375,815	26,260,198
Difference	<b>+726,726</b>	<b>+918,668</b>

#### West Lindsey:

	Total net receipt (£)	Net collectable debit (£)
2018/19	14,508,163	17,528,481
2017/18	13,783,184	16,835,283
Difference	<b>+724,979</b>	<b>+693,198</b>

#### 4.9 Lincoln Business Improvement District (BID) Levy Collection

- 4.10 Members will be aware that the Authority is responsible for the administration and collection of the BID levy.

The BID financial year runs from 1<sup>st</sup> July to 30<sup>th</sup> June and the figures given below represent collection up to the end of Quarter 3 2018/19.

A comparison of in-year collection rates between BID financial years ending 31<sup>st</sup> December 2017 and 31<sup>st</sup> December 2018 shows a decrease in collection and is shown in the table below. However, the decrease has reduced from 1.27% down at the end of Quarter 2 2018/19 to 0.33% down at the end of Quarter 3 – so direction of travel is positive and officers will continue to manage performance closely.

Quarter 3 2017/18	99.06%	Increase/ (Decrease) (0.33%)
Quarter 3 2018/19	98.73%	

#### 4.11 Outstanding Revenues Customers

4.12 The number of outstanding Revenues Customers as the end of Quarter 3 2018/19 shows an increase since 31<sup>st</sup> March 2018, however there has been a significant reduction from 1,138 to 641 – a 44% reduction.

The position had increased due to a Single Person discount review and subsequent enquiries. The Council Tax e-forms introduced (and to be further developed for other areas of Council Tax work) have resulted in processes becoming more efficient.

	Q3 2018/19	Q2 2018/19	31 <sup>st</sup> March 2018	Q3 2017/18	Q2 2017/18
<b>City of Lincoln</b>	<b>401</b>	749	121	80	624
<b>North Kesteven</b>	<b>241</b>	389	95	68	393

4.13 Although the position is not quite as positive as at the end of Quarter 3 2017/18 (493 more customers outstanding at the end of Quarter 3 2018/19), the direction of travel is positive as well as e-forms making improved positions more sustainable - the Revenues Team will again go into the annual billing process in a strong position.

#### 4.14 Housing Benefit Overpayments

4.15 Although in-period collection rates have slipped during Quarter 3 due to unforeseen reduced staffing capacity in this area, the overall position is still positive as outstanding Housing Benefit (HB) overpayments levels continues to reduced – as shown in the table below.

<b>Outstanding HB overpayments</b>	<b>Q3 2018/19</b>	<b>Q2 2018/19</b>	<b>31<sup>st</sup> March 2018</b>	<b>Q3 2017/18</b>	<b>Q2 2018/18</b>
<b>City of Lincoln</b>	<b>£4,012,053</b>	£4,061,218	£4,219,349	£4,248,202	£4,121,223
<b>North Kesteven</b>	<b>£1,640,470</b>	£1,703,094	£1,824,908	£1,823,546	£1,853,274

4.16 A separate, more detailed report – ‘Housing Benefit Overpayments Update’ – is included elsewhere on this committee’s agenda.

## 5. Benefits Performance

5.1 The table below shows the number of outstanding Benefits customers awaiting assessment, at the end of each financial year since the formation of the shared service:

	<b>Q3 2018 /19</b>	<b>Q2 2018/19</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>City of Lincoln</b>	<b>1,344</b>	1,520	696	555	1,064	1,267	2,396	2,004
<b>North Kesteven</b>	<b>341</b>	471	511	500	714	1,036	978	1,206

It is important to note for City of Lincoln, that although the customers awaiting assessment level is relatively high, this is due to the larger Housing Benefit caseload in comparison to North Kesteven.

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

5.2 As at the time of writing this report, on 25<sup>th</sup> January 2019, Benefits customers outstanding figures – split by those who are already in progress (i.e. where the customer has been contacted and further information is required) against those which have not yet started to be processed.

	<b>Benefits customers awaiting assessment (as at 25<sup>th</sup> January 2019)</b>			
	Customer has been contacted	Customer not yet contacted	<b>Total</b>	<b>Oldest Date</b>
<b>City of Lincoln</b>	446	909	<b>1,355</b>	31 <sup>st</sup> December 2018
<b>North Kesteven</b>	83	300	<b>383</b>	4 <sup>th</sup> January 2019

- 5.3 Out of the 1,209 customers outstanding and not yet contacted, 896 (74%) are Universal Credit documents (split by 722 Lincoln (79%), 174 North Kesteven (58%). This reaffirms the additional demands Universal Credit related documentation is having on the Benefits as team.

Under a backdrop of reducing levels of grant from central government, it is increasingly challenging to 'juggle' resources, with Benefits Officers not only provide claims assessment, but also administering Discretionary Housing Payments, Revisions and Appeals, Universal Credit support, Overpayments collection, Subsidy and Quality Control, and various initiatives relating to reducing fraud and error in the system.

- 5.4 In terms of Housing Benefit average processing times, the table below shows the figures for New Claims and Changes of Circumstance for the last five financial years:

<b>Average no. days processing (cumulative)</b>		<b>Q3 2018/19</b>	<b>Q2 2018/19</b>	<b>2017/18 (Annual outturn)</b>	<b>Q3 2017/18</b>	<b>Q2 2017/18</b>
<b>New Claims</b>	Lincoln	27.00	28.16	24.29	23.73	23.24
	North Kesteven	23.61	23.52	18.81	19.04	19.26
<b>Changes of Circumstance</b>	Lincoln	8.03	8.09	4.00	7.93	7.62
	North Kesteven	5.15	4.66	2.82	5.59	6.15

Changes of Circumstance average processing times are relatively equal to the same point in 2017/18, and will improve further in Quarter 4 – as is usual with a high number of '1 day' processing items for the new financial year.

New Claims performance for both local authorities has slipped in comparison to 2017/18, although Lincoln's average processing time has improved by 1.16 days from Quarter 2 to Quarter 3 2018/19.

Housing Benefit claims where a Universal Credit claim is being made too (exempt categories – such as supported accommodation) is resulting in local authorities having to wait for the Universal Credit decision to be made, which is taking around 6 weeks, before an assessment decision can be taken on the Housing Benefit entitlement. This delay by Department for Work and Pensions has contributed to the increase claims processing times for New Claims. A rolling action plan is in place, aiming to further improve performance in this area.

5.5 Prompt processing of claims remains vital, but of equal importance is accuracy of processing and ‘getting it right, first time’. The table below the outcomes of claims checked under our quality checking regime, since the formation of the shared service:

Financial Year	Q3 2018/19	Q2 2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
City of Lincoln	86.34%	84.00%	92%	91%	83%	79%	77%	72%	65%
North Kesteven	95.47%	96.10%	95%	95%	97%	98%	98%	100%	99%

In 2018/19 so far, for Lincoln 183 claims have been checked with 158 been right first time, the equivalent figures for North Kesteven being 287 checked with 274 right first time. As Universal Credit has been rolled out in Lincoln since March 2018 (Sleaford from November 2018) there has been concentration on checking these claims for Lincoln which are time-consuming and more likely to contain initial errors due to the complexity of these cases. However, it is anticipated that over time this will improve – and in fact Lincoln’s performance has improved by 2.34% from Quarter 2 to Quarter 3 2018/19.

## 6. Strategic Priorities

6.1 Both City of Lincoln and North Kesteven have a number of strategic priorities. Two that have an impact on the Revenues and Benefits Service are:-

- Lincoln: “Let’s Reduce Inequality”.
- North Kesteven: “Our Community Our Economy”.

6.2 The Benefits Service plays a key role in reducing inequality by ensuring residents receive the benefits they are entitled to and providing money / debt advice. The Revenues Section is also mindful of the strategic priorities when engaging with business ratepayers as they recover business rates – and also promoting and encouraging growth in the districts. Digital Inclusion, Channel Shift / Customer Experience, Financial Inclusion and Partnership Working are all key priorities for the shared service.

## **7. Organisational Impacts**

- 7.1 Finance: There are no direct financial implications arising from this report.
- 7.2 Legal Implications including Procurement Rules: There are no direct Legal or Procurement implications arising from this report.
- 7.3 Equality, Diversity & Human Rights: There are no direct implications arising from this report.

## **8. Risk Implications**

- 8.1 A Risk Register is in place for the Revenues and Benefits shared service.

## **9. Recommendations**

- 9.1 Note the performance information as set out in this report.
- 9.2 Note that a performance update will be presented at the next meeting of this committee, on 4<sup>th</sup> June 2019.

**Is this a key decision?** ~~Yes/No~~

**Do the exempt information categories apply?** ~~Yes/No~~

**Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?** ~~Yes/No~~

**How many appendices does the report contain?** Appendix 1: Performance Data – Quarter 3 2018/19

**List of Background Papers:** None

**Lead Officer:** Martin Walmsley, Head of Shared Revenues and Benefits  
Telephone (01522) 873597

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19<sup>th</sup> February 2019 Revenues and Benefits Joint Committee  
Appendix 1: Performance Data – Quarter 3 2018/19

<b>Measure</b>	<b>2018/19 Quarter 3</b>		<b>2017/18 Quarter 3</b>	
	<b>NK</b>	<b>COL</b>	<b>NK</b>	<b>COL</b>
<b>Local Authority</b>				
<b>Council Tax collection (cumulative)</b>	85.94%	79.47%	86.27%	79.77%
<b>NNDR collection (cumulative)</b>	85.00%	86.23%	85.21%	86.43%
<b>NNDR collection – WLDC (cumulative)</b>	82.77%		81.87%	
<b>No. Revenues customers awaiting change to be processed</b>	241	401	68	80
<b>Total Net Arrears for Council Tax prior years (i.e. not including current year)</b>	£1,025,218	£2,498,642	£874,920	£2,310,622
<b>Total Net Arrears for NNDR prior years (i.e. not including current year)</b>	£87,681	£293,426	£526,548	£246,843
<b>Housing Benefit overpayments collection in period</b>	116.08%	98.57%	87.47%	74.92%
<b>Outstanding Housing Benefit overpayments debt</b>	£1,640,470	£4,012,053	£1,823,546	£4,248,202
<b>Housing Benefit New Claims: Average number of days to process (cumulative)</b>	23.61 days	27.00 days	19.04 days	23.73 days
<b>Housing Benefits Changes of Circumstances: Average number of days to process (cumulative)</b>	5.15 days	8.03 days	5.59 days	7.93 days

**19<sup>th</sup> February 2019 Revenues and Benefits Joint Committee**  
**Appendix 1: Performance Data – Quarter 3 2018/19**

<b>Measure</b>	<b>2018/19 Quarter 3</b>		<b>2017/18 Quarter 3</b>	
<b>Local Authority</b>	<b>NK</b>	<b>COL</b>	<b>NK</b>	<b>COL</b>
<b>No. Benefits customers awaiting assessment (cumulative)</b>	341	1,344	378	556
<b>% Benefits claims checked financially correct (cumulative)</b>	95.47%	86.34%	96.17%	90.66%

<b>SUBJECT:</b>	<b>BUSINESS RATES UPDATE</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE</b>
<b>REPORT AUTHOR:</b>	<b>CLAIRE MOSES, REVENUES AND BENEFITS MANAGER</b>

**1. Purpose of Report**

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

**2. Executive Summary**

- 2.1 This report provides Joint Committee with an update on non-domestic rate to include reference to City of Lincoln Council and North Kesteven District Council together with West Lindsey District Council. The report is not intended to include non-domestic rate issues (for example, performance matters) covered in another report before the Joint Committee.

**3. Background**

- 3.1 The report brought to the last meeting of the Operational Board provided Members with an update on the following non-domestic rate issues:-
- Business Rates Pilot;
  - Spring Budget 2017;
  - Discretionary Relief Policy; and
  - Local Government Finance Bill 2017.
- 3.2 Focus for both Government and billing authorities since the last meeting of Joint Committee has been on implementing the measures announced by the Chancellor in the Spring Budget on 8 March 2017 and Budget in 2018, which have impacted on funding for reliefs during 2017/18 through to 2020/21. The latest position on all three measures is covered in this report.

Additional updates are provided in this report and will update on the following non-domestic rate issues: -

- Business Rate Pilot – 100% Business Rate Retention in 2018/19; and
- Autumn Budget 2018.

## 4. Spring Budget 2017

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

This relief was made available to those ratepayers who faced a large increase as a result of the loss of small business or rural rate relief. The transitional relief scheme does not provide support in respect of changes in reliefs. Therefore, those ratepayers who lost some or all of their small business or rural rate relief, may have faced very large percentage increases in bills from 1 April 2017.

To support these ratepayers, the Supporting Small Businesses Relief Scheme ensured that the increase per year in the bills of these ratepayers is limited to the greater of:-

- A percentage increase p.a. of 5%, 7.5%, 10%, 15% and 15% from 2017/18 to 2020/21; all plus inflation. Unlike the transitional relief scheme, for the first year of the scheme, the percentage increase is taken against the bill for 31 March 2017 after small business rate relief or rural rate relief; or
- A cash value of £600 per year (£50.00 per month). The cash minimum increase ensures that those ratepayers paying nothing or very small amounts in 2016/17 after small business rate relief are brought in to paying something.

Billing authorities were expected to use their discretionary powers under Section 47 Local Government Finance Act 1988 to grant the relief. In doing so, they will be compensated for the cost of granting the relief through a Section 31 grant from Government.

The number of hereditaments that have been identified for 2018/19 and have benefitted from the scheme as at 30 June 2018 for each of the three authorities, is as follows:-

#### **Loss of small business relief – 2018/19**

<b>Authority</b>	<b>No. identified</b>	<b>No responded</b>	<b>Total award</b>
City of Lincoln	8	5	£6,473
North Kesteven	23	17	£23,684
West Lindsey	26	15	£19,926

For both City of Lincoln and North Kesteven, there has been a reduction of 1 hereditament since the meeting of this Committee in November 2018. This is due to an increase in the Rate Value for these properties.

Once this relief had been announced, officers manually adjusted accounts – this has ensured those ratepayers who faced large increases as a result of the loss of small business or rural rate relief, are not left waiting for relief to be awarded.

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

This relief is for pubs that have a rateable value of below £100,000. Under the scheme, eligible pubs receive up to a £1,000 discount on their bill for 2017/18. Billing authorities were expected to use their discretionary powers under Section 47 Local Government Finance Act 1988 to grant the relief. In doing we will be compensated for the cost of granting the relief through a Section 31 grant from Government. If the balance outstanding is less than £1,000 the amount awarded will be for the full amount outstanding.

During quarter 1 of 2018/19, Officers identified those ratepayers that may be entitled to relief and sent application forms. By doing so, ratepayers can declare whether any relief awarded would not exceed the state aid limit. The number of application forms returned as at 30 June 2018 were as follows: -

#### **Support for Pubs Scheme – 2018/19**

<b>Authority</b>	<b>No. identified</b>	<b>No. awards</b>	<b>Total award</b>
City of Lincoln	63	24	£23,975
North Kesteven	40	30	£28,371
West Lindsey	59	29	£26,118

There has been no change to the number of awards since the last meeting of this Committee in November 2018.

At the meeting of this Committee, on 20<sup>th</sup> February 2018, clarification was provided with regards to the percentage of relief awarded against the number of pubs identified. There are a number of factors to be considered when awarding the reliefs, such as whether the pub is subject to state aid. Whilst the number of pubs with a rateable value below £100,000 have been identified, officers will not know whether these pubs will be subject to state aid until forms are returned. If a form has not been returned, officers have sent reminders and encouraged pubs to apply for the relief.

#### 4.3 Discretionary Relief Scheme

A £300m discretionary fund over four years from 2017/18 through to 2020/21, to support those businesses that faced the steepest increases in their business rate bills as a result of the recent revaluation, has been established. The intention is that every billing authority is provided with a share of the £300 million to support their local businesses. Billing authorities are expected to use their share of the funding to develop their own discretionary relief schemes to deliver targeted support to the most hard-pressed ratepayers.

The £300m covers the four years from 2017/18; the proposed breakdown being:-

- £175m in 2017/18
- £85m in 2018/19

- £35m in 2019/20
- £5m in 2020/21

### **2018/19 Scheme**

Letters were sent to the Chief Financial Officers of each Billing Authority on 28 April 2017 to confirm the grant distributions, and for 2018/19 the grant distributions for the three authorities, is as follows:-

- City of Lincoln £96,000  
Council:
- North Kesteven DC: £91,000
- West Lindsey DC: £76,000

It had been proposed that the agreed Option for 2017/18 be applied to future years but with lower amounts to be used in the 'award column'. It had also previously been agreed for the decision regarding the proposed scheme for 2018/19 to be delegated to the Chief Finance Officer for final decision.

During quarter 1 of 2018/19, Officers have 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 has increased as a result.

Since 2017/18, the number of accounts identified for all 3 districts have decreased, and as a result, the value of relief awarded is as follows: -

- City of Lincoln – this is a banded scheme. The award has 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 has increase from 50% to 70% - providing additional support to those ratepayers.
- North Kesteven – this is a banded scheme. The award has remained the same for the first 2 bands, but all others have reduced to 80% of the 2017/18 award.
- West Lindsey – this is a percentage reduction scheme, with all identified ratepayers receiving a 50% reduction – this is a decrease from 2017/18 of 80%.

Chief Finance Officers had delegated authority to approve the 2018/19 scheme, and as a result, the relief has been awarded to all accounts identified and ratepayers have been issued with a decision notice and letter of explanation. This is much earlier than for the 2017/18 scheme.

In doing this, ratepayers can declare whether any relief awarded would not exceed the state aid limit.

## Review of 2018/19 awards

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

- City of Lincoln
  - Increase the 50% award to 72.5% for those in the second band of the scheme; and
  - £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 to be awarded to all those in the second band of the scheme; an
  - £200 to 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
  - Increase the relief from 50% to 58%
  - This would result in an additional award of £10,075

## **New Discretionary Relief Scheme – 2017/18 and 2018/19 comparison:**

The table below shows the number of accounts identified and the total cost of relief for both 2017/18 and 2018/19 for comparison purposes.

<b>Authority – City of Lincoln</b>	<b>No. identified</b>	<b>Total awards made</b>	<b>Budget</b>	<b>Total award (£)</b>	<b>Current not spent (£)</b>
2017/18	675	413	£198,000	£196,125	£1,875
2018/19	366	359	£96,000	£86,997	£136

<b>Authority – North Kesteven</b>	<b>No. identified</b>	<b>Total awards made</b>	<b>Budget</b>	<b>Total award (£)</b>	<b>Current not spent (£)</b>
2017/18	540	339	£186,000	£184,430	£1,570
2018/19	278	262	£91,000	£64,916	£184

<b>Authority – West Lindsey</b>	<b>No. identified</b>	<b>Total awards made</b>	<b>Budget</b>	<b>Total award (£)</b>	<b>Current not spent (£)</b>
2017/18	329	217	£158,000	£102,084	£55,916
2018/19	197	176	£76,000	£75,551	£449

### **2019/20 Scheme**

Letters were sent to the Chief Financial Officers of each Billing Authority on 28 April 2017 to confirm the grant distributions, and for 2019/20 the grant distributions for the three authorities, is as follows:-

- City of Lincoln Council - £40,000
- North Kesteven District Council – £37,000
- West Lindsey District Council - £31,000

As in previous years, it has been proposed that the agreed Option for 2018/19 be applied to future years but with lower amounts to be used in the ‘award column’. It had also previously been agreed for the decision regarding the proposed scheme for 2019/20 to be delegated to the Chief Finance Officer for final decision.

During quarter 4 of 2018/19, Officers are 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 has increased as a result.

Once the scheme has been approved, relief will be awarded and revised bills will be issued to those ratepayers identified. The final scheme will be reported to this Committee on 4 June 2019.

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

5.1 In 2018/19 the both councils along with the other Lincolnshire Districts, Lincolnshire County Council and North Lincolnshire Council successfully bid to become one of ten successful 100% Business Rates Retention Pilots. This means that for 2018/19 both Councils will receive 60% of business rates growth, above the baseline positions, with 40% allocated to the County Council (under 50% retention the funding were 50% Central Government, 40% City of Lincoln Council and 10% Lincolnshire County Council). Crucially the pilot scheme includes a ‘no detriment’ clause meaning that no authority shall receive less than if it was operating under the current 50% retention scheme.

5.2 Based on an assessment of the amount of Business Rates that are expected to be collected during 2018/19 the additional resources currently estimated to be retained through the pilot is £18.6m of which £1.4m is attributable to the City of Lincoln and £1.4m attributable to North Kesteven.

5.3 Although the pilot bids were only awarded for a one year period the 2018/19 Local Government Finance Settlement promised a further round of new pilots in 2019/20.

5.4 Prior to the summer recess the Government took the opportunity to announce it's plans for the 2019/20 Business Rates Retention Pilots. The main points were as follows:

- All authorities that have not already been awarded pilot status for 2019/20 can apply, including the 2018/19 pilots;
- The 2019/20 pilots will be at 75% Business Rates Retention (i.e. lower than the 100% pilots of 2018/19);
- The 'no detriment' clause applied to 2017/18 and 2018/19 Pilots, will not apply to Pilots set up for 2019/20;
- There will be a Safety Net set at 95%, to reflect the additional risk locally that 75% retention introduces, and this will apply pilot wide and not to individual authorities; and no levy will be paid;
- The Pilot programme in 2019/20 is likely to be smaller than the programme in 2018/19 (i.e. ten pilot areas, plus London plus the original five 2017/18 pilots);
- Successful pilots would last for one year up to the end of March 2020 (i.e. in April 2020 it is intended that 75% is rolled out nationally); and
- Bids are to be submitted by 25<sup>th</sup> September 2018.

It is worth noting that Devolution Pilot areas and the London Borough Pilot have been automatically allowed to continue on a 100% basis in 2019/20 and with their 'no detriment' clause in place.

5.5 The existing 2018/19 Lincolnshire pilot members have assessed the benefits and any risks associated with a 75% pilot and commissioned LG Futures 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 (potential to the safety net) which could be a risk to any pilot area. Initial projections of a 75% pilot based on the current pilot member authorities indicates that a further £9.9mm of business rates could be retained in the County during 2019/20. If the pilot bid is approved and these additional funds materialise they will be available to be distributed across Lincolnshire/Greater Lincolnshire on an agreed basis. Without the pilot bid these funds would continue to go back to Central Government as currently.

5.6 Following consideration by the Chief Executives and S151 Officers a bid for 2019/20 pilot status, based on the existing pilot authorities was submitted in September. As part of the bid submission, a request has been made to form a Lincolnshire business rate pool should the 100% BR bid not be approved.

5.7 Unfortunately the bid for 100% Pilot Status was not one of the 15 successful applications approved. Both Councils will therefore revert to being part of the Lincolnshire Pool in 2019/20 along with the County Council and other Lincolnshire Districts.

## 6. Autumn Budget 2018

6.1 The Autumn Budget 2018 was announced on 29<sup>th</sup> October 2018. Those announcements affecting Business Rates were as follows: -

- **High Streets:** High streets and town centres are crucial parts of communities and local economies, but the government recognises the challenges they face from changing consumer behaviour and is taking action to help them to evolve. High street businesses are already benefitting from recent reforms and reductions to business rates announced since Budget 2016 worth more than £12 billion over the next five years. To provide upfront support through the business rates system, the government is cutting bills by one-third for retail properties with a rateable value below £51,000, benefiting up to 90% of retail properties, for 2 years from April 2019, subject to state aid limits.
- **Business rates public lavatories relief:** The government will introduce 100% business rates relief for all public lavatories to help keep these important local amenities open
- **Business rates local newspaper discount:** The government will continue the £1,500 business rates discount for office space occupied by local newspapers in 2019-20.
- **Business rates treatment of self-catering and holiday let accommodation:** There is concern that some owners of properties that are not genuine businesses may seek to reduce their tax liability by falsely declaring that the property is available for let. To ensure that second properties are subject to the appropriate tax, the government will consult on the criteria under which self-catering and holiday lets become chargeable to business rates rather than council tax.

6.2 It was further announced local authorities would be fully compensated for the loss of income as a result of the second and third measures. Officers are awaiting further announcements as to how the first and fourth announcement will be funded.

6.3 With regards to the High Streets, Retail Guidance was issued in November 2018. The guidance confirmed this measure was for 2019/20 and 2020/21 only. Eligibility criteria has been provided and local authorities will be reimbursed using a grant under section 31 of the Local Government Act 2003.

6.4 Officers are currently identifying those ratepayers who are eligible for this discount. Due to late developments with the Revenues software, the discount will not be added to accounts until after the annual billing process. However, letters and state aid forms have been issued to those identified.

6.5 The Discretionary Relief policies will be updated to reflect these changes.

## **7. Recent Court of Appeal Decision – ATM’s**

7.1 In 2013 a decision was taken by the Valuation Office Agency (VOA) for ATMs built into the front of a shop or petrol station to have a separate business rates bill. This ruling was upheld in 2017. As a result, cash machines were brought into the Valuation Rating List. This was further appealed by large chain Supermarkets.

7.2 On 9 November 2018, large chain Supermarkets had their appeal heard by the Court of Appeal. The case was won and the result of the hearing is that cash machines will no longer be given separate business rates bills.

7.3 The Valuation Office Agency was refused leave to appeal, though they could petition the Supreme Court to hear the case.

7.4 On 10 December 2018, the Valuation Office Agency submitted an application for the right of appeal to the Court of Appeals ruling. Information received by Officers indicated the Supreme Court may take up until June 2019 to decide whether to hear the case, adding then a further 18 months to 2 years before a further decision is made.

7.5 This continues to have implications for local authorities as the ATM’s are now included as an appeal threat, and provision will need to be made for potential refunds.

## **8. Strategic Priorities**

8.1 Both City of Lincoln Council and North Kesteven DC have a number of strategic priorities. Two that have an impact on the Non-Domestic Rate Service are:-

- City of Lincoln “Let’s Reduce Inequality”.  
Council:
- North Kesteven DC: “Our Community and Our Economy”.

8.2 Both authorities look to protect the poorest people. The Non-Domestic Rate Service is mindful of the strategic priorities when engaging with business ratepayers as they look to recover the business rate. Digital Inclusion, Channel Shift, Financial Inclusion and Partnership Working are all key priorities for the shared service.

8.3 At the City of Lincoln Council, a strategic priority that underpins the authority’s vision for 2020 is ‘*Let’s reduce inequality*’; within which, there is the aspiration ‘*Let’s help people succeed*’. To achieve this aspiration, there is to be examination of the Discretionary Rate Relief Policy. This will involve an exploration of how the city council’s Discretionary Rate Relief Policy could be used to create employment opportunities for residents.

## 9. Organisational Impacts

### 9.1 Finance

No direct financial implications arising from this report.

### 9.2 Legal Implications including Procurement Rules

No direct financial implications arising from this report.

### 9.3 Equality, Diversity & Human Rights

The equality implications have been considered within this report. In bringing forward any change to the existing criteria for awarding discretionary relief, consideration will be given as to whether a full Equality Impact Assessment is required.

## 10. Risk Implications

10.1 A Risk Register is in place for the Revenues and Benefits Shared Service.

## 11. Recommendation

11.1 Members are requested to note this report.

**Is this a key decision?**

Yes / No

**Do the exempt information categories apply?**

Yes / No

**Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?**

Yes / No

**How many appendices does the report contain?**

0

**List of Background Papers:**

None

**Lead Officer:**

Claire Moses, Revenues and Benefits Manager  
Telephone: 01522 873764

**SUBJECT: HOUSING BENEFIT OVERPAYMENTS UPDATE**

**DIRECTORATE: CHIEF EXECUTIVE**

**REPORT AUTHOR: CLAIRE MOSES, REVENUES AND BENEFITS MANAGER  
(SHARED SERVICE)**

## **1. Purpose of Report**

- 1.1 To provide Revenues and Benefits Joint Committee with an update on the recovery of Housing Benefit overpayments.

## **2. Executive Summary**

- 2.1 This report sets out how officers are tackling outstanding Housing Benefit (HB) overpayments debts.

## **3. Background**

- 3.1 Housing Benefit overpayments can occur for a variety of reasons;
- Customers not promptly notifying of a change of circumstances affecting their entitlement to HB;
  - Delays in re-assessment of HB once a change has been reported to the Benefits Officer;
  - Fraudulently-claimed HB;
  - Error made in assessment of HB by the local authority; and
  - Error made by the Department for Work and Pensions (DWP) and Her Majesty Revenues & Customers (HMRC) in one of the benefit or incomes used in the assessment of Housing Benefit entitlement.
- 3.2 Due to the nature of the relatively large amounts of HB being paid over an extended period, individual overpayments can be sizeable and for some debts, these take many years to recover at standard weekly rate deductions from ongoing HB entitlement and DWP benefits.

## **4. Actions during Quarter 3 2018/19**

- 4.1 As a result of the review undertaken by the DWP's Performance Development Team (PDT) (previous reports to Joint Committee have reference this), the PDT provided officers with a report detailing the findings and recommendations, this was provided at the last meeting of this committee. These findings have formed the HB Overpayment Recovery Action Plan shown in **Appendix 1**.

- 4.2 The PDT identified some good practices whilst conducting the review, as well as acknowledging the shared service has already recognised work that needed to be done – 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; and
  - Identifying debtors suitable to be referred to the DWP as part of their Debt Service pilot.
- 4.3 The PDT put forward eleven recommendations of which nine have been included in the HB Overpayment Recovery action plan. These are: -
- Review current timeline for issuing of reminders;
  - Review of diary dating process;
  - Process in place to review the level of benefit claw back;
  - Consideration of claimant capital as recovery method;
  - Introduction of a telephone rota within the recovery team;
  - Analysis and understanding of management information (MI);
  - Targeted activity for highest and oldest debts;
  - Communicating the importance of recovery to all staff so they understand their role; and
  - Collaboration between staff and the HB recovery team – to share achievements and discuss areas for improvement.

## 5. Housing Benefit Overpayment Recovery action plan

- 5.1 The action plan is shown in **Appendix 1**. This action plan is being used as a working document and is providing the HB Overpayment team with a clear direction for the work which is to be undertaken during the next nine months.

This action plan is updated regularly and will be provided in future committee reports to show the progress which is being made.

- 5.2 A number of key actions have been undertaken already: -

- ✓ Action 1 to 4: These are covered earlier in the report;
- ✓ Action 5: Working arrangements – objectives and aims set for the HB Overpayment Recovery team;
- ✓ Action 7: Management Information spreadsheet set up;
- ✓ Action 9: Staff awareness of the importance of overpayment recovery;
- ✓ Action 10: Benefits Officers training took place to improve confidence when discussing overpayment with customers;
- ✓ Action 11 & 12: Overpayment stages broken down to get an understanding of who is involved at each stage, alongside the work needed for the recovery to be successful;
- ✓ Action 12: Various methods of recovery being utilised;
- ✓ Action 13, 16 & 17: Targeted review of highest and oldest debts – sourcing the most effective recovery method;
- ✓ Action 20 & 21: Overpayments over 4 months where no action has been taken, passed to HB Overpayment recovery team to work on;

- ✓ Action 2: DWP Debt Service is being utilised – with positive outcomes – attachment of earnings;
- ✓ Action 24, 33 & 34: Write off process has been reviewed and write offs are undertaken regularly
- ✓ Action 25: Agreement with North Kesteven for overpayments created for a value of £10 and under, where the only method of recovery would be invoice, are to be classed as ‘uneconomical to recover’ and sent for automatic write off;
- ✓ Action 35: Review of old debts from Lincoln Civica system are being reviewed; and
- ✓ Action 36: Designated Overpayments telephone line set up for customer contact.

5.3 The action plan continues to be monitored by the Revenues and Benefits Manager, and forms part of meetings with the Benefit Team Leader and the HB Overpayment Recovery Team. As part of these meetings, recovery methods are continually being reviewed, along with the effectiveness of the work undertaken by the team.

## 6. Financial Outcomes – 2018/19 Quarters 1 to 3

6.1 As part of the formation of the HB Overpayment project, Officers have reviewed all recovery methods available for all stages of debt. The stages are have broken down as follows: -

- Overpayments recovered from ongoing Housing Benefit;
- Overpayments at sundry debtors less than 4 months old;
- Overpayments at sundry debtors over 4 months old; and
- Write off.

As a result, Officers are now able to have a detailed understanding of what stage debts are at and, at a glance, whether the debts are increasing or decreasing, and where resource allocation is needed.

6.2 The table below shows the improvements for quarter 1 and 2 2018/19 for City of Lincoln and North Kesteven since the project started in June 2018. Since the start of the project, **the total overpayments outstanding have reduced by £568,399 (£472,614 for City of Lincoln and £157,355 for North Kesteven): -**

**City of Lincoln:**

<b>City of Lincoln:</b>				
	<b>Quarter 1 Outcome compared to 31 May 2018</b>	<b>Quarter 2 Outcome compared to 31 May 2018</b>	<b>Quarter 3 Outcome compared to 31 May 2018</b>	<b>Comments</b>
✓	Total value of outstanding overpayments has decreased by £8,923	Total value of outstanding overpayments has decreased by £112,874	Total value of outstanding overpayments has decreased by £363,915	Total overpayments at 31 May 2018 were £4,133,397– this has now reduced to £3,769,482 (this figure is different to the performance report as included write offs due to be signed off)
✓	Value of overpayments at clawback stage have decreased by £23,118	Value of overpayments at clawback stage have decreased by £191,005	Value of overpayments at clawback stage have decreased by £472,614	Higher clawback amounts are being agreed, resulting in overpayments being cleared  Once the clawback is no longer an efficient method of recovery, the overpayment is moved on to the next stage within 2 weeks.
✓	Number of overpayments at sundry debtors less than 4 months old has decreased by 57	Number of overpayments at sundry debtors less than 4 months old has increased by 89	Number of overpayments at sundry debtors less than 4 months old has decreased by 78	The decrease means payments have been made and overpayments have been cleared  Successful introduction of cut-off of 4 months – anything older than this will go to the HB Overpayment recovery team for action.

				Those unsuccessful clawbacks are successfully being moved into this stage of recovery. These debts are monitored monthly with realistic and achievable payments and arrangements.
✓	Value of overpayments at sundry debtor stage has increased by £59,536	Value of overpayments at sundry debtor stage has increased by £105,874	Value of overpayments at sundry debtor stage has increased by £114,393	As above
x	Number of overpayments at sundry debtor over 4 months old has increased by 61	Number of overpayments at sundry debtor over 4 months old has decreased by 17	Number of overpayments at sundry debtor over 4 months old has decreased by 21	<p>The number of debts at this stage continue to reduce.</p> <p>This is as a direct result of the work undertaken with those debts within the 4 month stage.</p> <p>In addition, debts at this stage are referred to the DWP to gather earnings information – resulting in a direct earnings arrangement being put in place.</p>
x	Value of overpayments at this stage has increased by £15,319	Value of overpayments at this stage has decreased by £27,744	Value of overpayments at this stage has increased by £14,305	Whilst the number have reduced, the value of individual OP's within this category are currently higher than they have been

**\*Clawback is where an overpayment can be recovered by reducing ongoing Housing Benefit entitlement**

<b>North Kesteven</b>				
	<b>Quarter 1 Outcome compared to 31 May 2018</b>	<b>Quarter 2 Outcome compared to 31 May 2018</b>	<b>Quarter 3 Outcome compared to 31 May 2018</b>	<b>Comments</b>
✓	Total value of outstanding overpayments has decreased by £21,779	Total value of outstanding overpayments has decreased by £101,257	Total value of outstanding overpayments has decreased by £157,355	Total overpayments at 31 May 2018 were £1,700,825.42 – this has now reduced to £1,543,470 (this figure is different to the performance report as included write offs due to be signed off)
✓	Value of overpayments at clawback stage have increased by £63,441	Value of overpayments at clawback stage have increased by £61,500	Value of overpayments at clawback stage have decreased by £82,604	Higher clawback amounts are being agreed, resulting in overpayments being cleared  Once the clawback is no longer an efficient method of recovery, the overpayment is moved on to the next stage within 2 weeks.
✓	Number of overpayments at sundry debtors less than 4 months old has increased by 37	Number of overpayments at sundry debtors less than 4 months old has increased by 26	Number of overpayments at sundry debtors less than 4 months old has increased by 22	Successful introduction of cut-off of 4 months – anything older than this will go to the HB Overpayment recovery team for action.  Those unsuccessful clawbacks are successfully being moved into this stage of recovery.

				These debts are monitored monthly with realistic and achievable payments and arrangements.
✓	Value of overpayments at sundry debtor stage has increased by £20,267	Value of overpayments at sundry debtor stage has increased by £733	Value of overpayments at sundry debtor stage has increased by £4,693	As above
x	Number of overpayments at sundry debtor over 4 months old has no changed	Number of overpayments at sundry debtor over 4 months old has decreased by 17	Number of overpayments at sundry debtor over 4 months old has increased by 11	<p>The number of debts at this stage continue to reduce.</p> <p>This is as a direct result of the work undertaken with those debts within the 4 month stage.</p> <p>In addition, debts at this stage are referred to the DWP to gather earnings information – resulting in a direct earnings arrangement being put in place.</p>
x	Value of overpayments at this stage has increased by £23,652	Value of overpayments at this stage has decreased by £65,398	Value of overpayments at this stage has decreased by £79,444	<p>As above</p> <p>Once the attachment of earnings starts, this figure will be expected to reduce.</p>

6.3 It is important to note, that whilst the value of overpayments outstanding is decreasing, staff are still creating overpayments – through delays in changes in circumstances being processes – these delays can be caused by customers, the DWP or by ourselves.

However, the rate of recovery of the overpayments is exceeding the creation of overpayments – the performance report presented at this committee shows an in period collection rate of 98.57% for City of Lincoln and 116.08% for North Kesteven.

## 7. Strategic Priorities

7.1 Both City of Lincoln and North Kesteven have a number of strategic priorities. Two that have an impact on the Revenues and Benefits Service are:-

- Lincoln: “Let’s Reduce Inequality”.
- North Kesteven: “Our Community and Our Economy”.

7.2 Both authorities look to protect the poorest people. The Benefits Service plays a key role in reducing poverty and disadvantage by ensuring residents receive the benefits they are entitled to and providing money / debt advice. The Revenues Section are also mindful of the strategic priorities when engaging with business ratepayers as they recover the business rate. Digital Inclusion, Channel Shift, Financial Inclusion and Partnership Working are all key priorities for the shared service.

## 8. Organisational Impacts

8.1 Finance: There would be a positive financial implication arising from this report in relation to the reduction in outstanding Housing Benefits overpayments – however bad debt provision is also being considered as part of this action plan.

8.2 Legal Implications including Procurement Rules: There are no direct Legal or Procurement implications arising from this report.

## 9. Risk Implications

9.1 A Risk Register is in place for the Revenues and Benefits Shared Service.

## 10. Recommendation

10.1 Members are asked to note this report and note that an update will be brought to Revenues and Benefits Joint Committee on 4 June 2019.

**Is this a key decision?** Yes/No

**Do the exempt information categories apply?** Yes/No

**Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?** Yes/No

**How many appendices does the report contain?** One

Appendix 1: Housing Benefit Overpayment Action Plan

**List of Background Papers:**

None

**Lead Officer:**

Claire Moses, Revenues and Benefits Manager  
Telephone (01522) 873764

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**Housing Benefit Overpayment Recovery Action Plan – 2018/19**

Action No.	Action Needed	Responsible Person	Action	Completion Date	Review Date	Comments
1	Expression of interest to be issued to staff	Benefits Team Leader (BTL)	<ul style="list-style-type: none"> <li>Email to all Housing Benefit Officers with expression of interest details – start date 18 June 2018, after HDD report</li> </ul>	08.05.18	17.05.18	Completed
2	Management Information to be set up and agreed	BTL	<ul style="list-style-type: none"> <li>BTL to speak with Recovery and Systems Team Leaders to ascertain what MI is available on Northgate system</li> </ul>	18.06.18	Weekly for team Monthly for reporting	Completed – MI spreadsheet set up and completed monthly
3	Review of HDD Findings	BTL	<ul style="list-style-type: none"> <li>HDD report to be reviewed by BTL and R&amp;B Manager to set action plan</li> </ul>	26.05.18	18.06.18 and then weekly	HBOP Plan agreed and implemented
4	Review of Housing Benefit Debt Service project	BTL	<ul style="list-style-type: none"> <li>Login to online forum to read through the guidance and</li> </ul>	08.06.18	Monthly	Completed

APPENDIX 1 – 19 February 2019 - Revenues and Benefits Joint Committee – Housing Benefit Overpayment Update

Action No.	Action Needed	Responsible Person	Action	Completion Date	Review Date	Comments
			<p>experiences of other teams</p> <ul style="list-style-type: none"> <li>• Check data download table</li> </ul>			
5	Agree working arrangements for HBOP officers	BTL	<ul style="list-style-type: none"> <li>• To liaise with Recovery Team Leader to discuss current working arrangements and processes for sundry debts</li> </ul>	08.06.18	Monthly	Monthly meeting in dairies and taking place
6	Meet with successful HBOP officer	BTL	<ul style="list-style-type: none"> <li>• To provide a remit of the role and gain input into creation of action plan</li> </ul>	08.06.18	Monthly	Remit of role to be reviewed monthly at 1-1
7	Set up MI spreadsheet	BTL	<ul style="list-style-type: none"> <li>• MI spreadsheet to provide baseline stats as at 31 May 2018</li> <li>• To be completed each month to give comparison figures</li> <li>• MI details to be gathered are further down in the action plan for each stage of debt</li> </ul>	01.06.18	Monthly	Completed

APPENDIX 1 – 19 February 2019 - Revenues and Benefits Joint Committee – Housing Benefit Overpayment Update

Action No.	Action Needed	Responsible Person	Action	Completion Date	Review Date	Comments
8	Recovery method flowchart	BTL	<ul style="list-style-type: none"> <li>To produce a recovery method flowchart which clearly shows preferred recovery method routes (taking into account recommendations from HDD regarding capital, review of methods etc)</li> </ul>	08.06.18	Monthly	To be reviewed monthly to ensure fit for purpose
<b>Creation of overpayments</b>						
9	Understanding the importance of recovery (HDD recommendation 10)	BTL's and Recovery Team Leader	<ul style="list-style-type: none"> <li>Communication of the work and action plan is needed from the outset at benefit and recovery team meetings.</li> <li>Staff need to understand debt recovery is part of their role and understand the level of debt and importance of recovering this</li> </ul>	30.06.18	Monthly	<p>Complete: BTL and HBOP to attend Team Meetings to speak with staff about the project and the importance of recovery</p> <p>12.07.18 – Meeting with NK staff took place</p> <p>November 2018 – Current position to</p>

APPENDIX 1 – 19 February 2019 - Revenues and Benefits Joint Committee – Housing Benefit Overpayment Update

Action No.	Action Needed	Responsible Person	Action	Completion Date	Review Date	Comments
						<p>be highlighted at R&amp;B Management meeting</p> <p>December 2018 – Current position to be highlighted at R&amp;B Management meeting</p>
10	Benefits Officer training	HBOP Team	<ul style="list-style-type: none"> <li>Confidence in discussing overpayments with customers</li> <li>Setting appropriate arrangements</li> </ul>	30.06.18	Monthly	<p>Effectiveness of training to be reviewed at team meetings (discussion with staff) along with reviewing relevant stats</p>
11	<p>Review diary dating process</p> <p>(HDD recommendation 2)</p>	HBOP Team	<ul style="list-style-type: none"> <li>To ensure consistent approach to diary dating including how and when this should be done. Removal of use of outlook? Use of Northgate diary suite?</li> </ul>	30.06.18	Monthly	<p>Complete: Diary date report to be reviewed by HBOP team to ensure it is being used to full capacity</p>

APPENDIX 1 – 19 February 2019 - Revenues and Benefits Joint Committee – Housing Benefit Overpayment Update

Action No.	Action Needed	Responsible Person	Action	Completion Date	Review Date	Comments
			<ul style="list-style-type: none"> <li>Who should be reviewing the diary date? The Benefits Officer or the HBOP Officer?</li> </ul>			Spreadsheet set up and saved in LINK drive to ensure all staff have access and can review
12	Consider claimant capital as recovery method (HDD recommendation 4)	BTL	<ul style="list-style-type: none"> <li>Capital to be considered before recovery from ongoing benefit or payment arrangement</li> </ul>	08.06.18		To be included as part of the HBOP recovery flowchart
<b>Overpayments recovered from ongoing Housing Benefit</b>						
13	Monthly management Information (MI) required	BTL / HBOP Team	<ul style="list-style-type: none"> <li>Detailed MI required: -                             <ul style="list-style-type: none"> <li>No. at this stage</li> <li>Value at this stage</li> </ul> </li> </ul>	31.05.18	Monthly	Baseline stats for 31.05.18  Each month to be available within 3 working days of 1 <sup>st</sup> of each month
14	Review level of clawback (HDD recommendation 3)	HBOP Team	<ul style="list-style-type: none"> <li>Process in place to review when a claimant returns to HB where there has been a</li> </ul>	08.06.18	Monthly	Clawback for COLC reviewed for May. Issues with BOXI report for NK.

APPENDIX 1 – 19 February 2019 - Revenues and Benefits Joint Committee – Housing Benefit Overpayment Update

Action No.	Action Needed	Responsible Person	Action	Completion Date	Review Date	Comments
			recovery reduction previously			Logged with Support Team  Reports all working and being reviewed monthly
<b>Overpayments at sundry debt and on arrangement</b>						
15	Monthly management Information required	BTL / HBOP Team	<ul style="list-style-type: none"> <li>• Detailed MI required: -                             <ul style="list-style-type: none"> <li>○ No. at each stage</li> <li>○ Value at each stage</li> <li>○ No. passed on to next stage</li> </ul> </li> </ul>	31.05.18	Monthly	Baseline stats for 31.05.18  Each month to be available within 3 working days of 1 <sup>st</sup> of each month
16	Consider current timeline for reminders  (HDD recommendation 1)	HBOP Team	Looking at: <ul style="list-style-type: none"> <li>• Reducing reminders at days 21 and 35</li> <li>• Starting action at day 31</li> </ul>	15.07.18	N/A	BTL to discuss with Recovery Team Leader
17	Passing on of non-arrangement debts to HBOP Recovery team	BTL	<ul style="list-style-type: none"> <li>• Process needed as to what point the debt is passed to the HBOP recovery team for next</li> </ul>	08.06.18	Monthly	Complete: Process has been agreed and is now in place

APPENDIX 1 – 19 February 2019 - Revenues and Benefits Joint Committee – Housing Benefit Overpayment Update

Action No.	Action Needed	Responsible Person	Action	Completion Date	Review Date	Comments
			action (such as referral to DWP debt service)			To be reviewed monthly to ensure these debts are being passed on to next stage
18	Telephone rota (HDD recommendation 5)	Recovery Team Leader	<ul style="list-style-type: none"> <li>Consider putting a telephone rota in place, for example half a day at a time so debt officer time dealing with debt recovery is not as highly impacted</li> </ul>	31.07.18	N/A	
<b>Overpayments over 4 months old and where there is no arrangement</b>						
19	Monthly management Information required	BTL / HBOP Team	<ul style="list-style-type: none"> <li>Detailed MI required: -                             <ul style="list-style-type: none"> <li>No. at this stage</li> <li>Value at this stage</li> </ul> </li> </ul>	31.05.18	Monthly	Baseline stats for 31.05.18  Each month to be available within 3 working days of 1 <sup>st</sup> of each month

APPENDIX 1 – 19 February 2019 - Revenues and Benefits Joint Committee – Housing Benefit Overpayment Update

Action No.	Action Needed	Responsible Person	Action	Completion Date	Review Date	Comments
20	Existing overpayments over 4 months old with no action: Removal of these overpayments from sundry team	HBOP Team	<ul style="list-style-type: none"> <li>To be removed from the recovery team and brought into the HBOP team</li> </ul>	08.06.18	N/A	Actioned – HBOP team working on these cases
21	Existing overpayments over 4 months old with no action: Review of status of recovery	HBOP Team	<ul style="list-style-type: none"> <li>Status of recovery stage to be reviewed</li> <li>Appropriate action to be undertaken – arrangement / debt service or write off                             <ul style="list-style-type: none"> <li>Detailed MI required: -                                     <ul style="list-style-type: none"> <li>No. at this stage</li> <li>Value at this stage</li> </ul> </li> </ul> </li> </ul>	31.07.18	Monthly for new cases	Prioritised cases over £2000 where no recovery in place  Completed: 20.07.18 – prioritised cases where a debt is o/s from 12/13
22	Use of DWP Debt Service Project	BTL / HBOP Team	<ul style="list-style-type: none"> <li>These debts to be reviewed and passed to DWP Debt service project for potential recovery from earnings</li> <li>Detailed MI required: -</li> </ul>	30.06.18	Monthly	Cases for July included all cases for NK and COLC where an overpayment was created 12/13 and there had been no payments received

APPENDIX 1 – 19 February 2019 - Revenues and Benefits Joint Committee – Housing Benefit Overpayment Update

Action No.	Action Needed	Responsible Person	Action	Completion Date	Review Date	Comments
			<ul style="list-style-type: none"> <li>○ No. at this stage</li> <li>○ Value at this stage</li> </ul>			towards the o/s debt in the last 4 months. <b>247</b> cases for COLC and <b>111</b> for NK
23	Looking at highest and oldest debt MI  (HDD recommendation 7)	HBOP Team	<ul style="list-style-type: none"> <li>● Targeted review of these cases</li> </ul>	31.07.18	Monthly	458 cases identified and sent to DWP
<b>Write Offs</b>						
24	Monthly management Information required	BTL / HBOP Team	<ul style="list-style-type: none"> <li>● Detailed MI required: -                             <ul style="list-style-type: none"> <li>○ No. at this stage</li> <li>○ Value at this stage</li> </ul> </li> </ul>	31.05.18	Monthly	Baseline stats for 31.05.18  Each month to be available within 3 working days of 1 <sup>st</sup> of each month
25	Review of write off process for COL and NKDC	BTL	<ul style="list-style-type: none"> <li>● To ensure process is correct and agreed by all parties</li> </ul>	31.05.18		Complete: Process reviewed and all agreed

APPENDIX 1 – 19 February 2019 - Revenues and Benefits Joint Committee – Housing Benefit Overpayment Update

Action No.	Action Needed	Responsible Person	Action	Completion Date	Review Date	Comments
26	Review NKDC write off of OP's created £10 and under (where only recovery is invoice) – uneconomical to recover	BTL / R&B Manager	<ul style="list-style-type: none"> <li>To meet with NKDC Finance to agree process</li> </ul>	31.07.18		Complete: NKDC have agreed for automatic write off of these debts
<b>Management Information (MI)</b>						
27	MI to be collated monthly	BTL / HBOP Team	<ul style="list-style-type: none"> <li>MI as above to be collated on a spreadsheet for easy monthly comparison</li> </ul>	31.05.18	Monthly	<p>Baseline stats for 31.05.18</p> <p>Each month to be available within 3 working days of 1<sup>st</sup> of each month</p>
28	Management Information (MI) to be readily available (HDD recommendation 6)	BTL	<ul style="list-style-type: none"> <li>Ensure that team leaders and senior recovery staff are able to analyse and understand the MI to manage debt recovery performance</li> <li>Feedback to HBOP officers – providing update on performance, looking at 'issue' areas</li> </ul>	01.07.18	Monthly	<p>Baseline and June stats to be available 1 July 2018</p> <p>Monthly stats to be available within 3 working days of 1<sup>st</sup> of each month</p>

APPENDIX 1 – 19 February 2019 - Revenues and Benefits Joint Committee – Housing Benefit Overpayment Update

Action No.	Action Needed	Responsible Person	Action	Completion Date	Review Date	Comments
			<ul style="list-style-type: none"> <li>Feedback to team members – providing update on actions taken and outcomes</li> </ul>			
<b>HBOP Team and their role</b>						
29	Collaboration between Benefits / Recovery Officers and the HBOP Team  (HDD recommendation 11)	HBOP Team	<ul style="list-style-type: none"> <li>Bi-monthly meetings where achievements can be shared and areas for improvements can be discussed</li> <li>This can be led by the HBOP Project Manager</li> </ul>	01.07.18	Bi-Monthly	Meetings taking place with BTL, HBOP and Recovery Team
30	Direct Recovery from ongoing Benefit	HBOP Team	<ul style="list-style-type: none"> <li>Lincoln and NK reports to be worked on monthly</li> </ul>	Ongoing	Monthly	Reports all working and being reviewed monthly
31	Newly created Invoices	Recovery Team	<ul style="list-style-type: none"> <li>All invoices up to 4 months old to be dealt with by Recovery Team</li> </ul>	Ongoing	Monthly	To be reviewed each month to ensure nothing of 4 months old is with recovery team

APPENDIX 1 – 19 February 2019 - Revenues and Benefits Joint Committee – Housing Benefit Overpayment Update

Action No.	Action Needed	Responsible Person	Action	Completion Date	Review Date	Comments
32	HB Debt Service	BTL	<ul style="list-style-type: none"> <li>BTL and HBOP team to work together to identify cases for the Debt Service</li> <li>BTL to work with Support Team to provide the data each month</li> </ul>	Ongoing	Monthly	BTL to send the data via Data Hub on the 14 <sup>th</sup> of each month. Responses to be received back on 21 <sup>st</sup> of each month
33	Write Off's - Current	BTL/Recovery Team Leader	<ul style="list-style-type: none"> <li>BTL'S to deal with Write Off's</li> <li>Recovery Team Leader to deal with Write Off's for those cases at invoice and that are under 4 months old</li> </ul>	Ongoing	Monthly	Complete: Different process at each site – differences identified and all involved have agreed to the process
34	Write Off's – HBOP Project	BTL	<ul style="list-style-type: none"> <li>Lincoln – Spreadsheet completed by HBOP Team, Write Off form completed, signed by HoS, overpayment written off Northgate by Lincoln Benefit team leader, HBOP Team</li> </ul>	Ongoing	Ongoing	Complete: Spreadsheet to be sent to HoSRB for authorisation

APPENDIX 1 – 19 February 2019 - Revenues and Benefits Joint Committee – Housing Benefit Overpayment Update

Action No.	Action Needed	Responsible Person	Action	Completion Date	Review Date	Comments
			<p>notified and spreadsheet updated</p> <ul style="list-style-type: none"> <li>NK – Spreadsheet completed by HBOP Team, Write Off form completed, signed by HoS, data sent to NK Team Leader to seek approval from Finance @ NK, overpayment written off Northgate by NK Benefit team leader, HBOP Team notified and spreadsheet updated</li> </ul>			
35	Review of old debtors from Civica system	HBOP Team	<ul style="list-style-type: none"> <li>To review cases from old Debtor system</li> </ul>	Ongoing	01.09.18	1378 invoices to be reviewed. 674 cases completed.
36	To set up designated telephone number for the public to call	BTL	<ul style="list-style-type: none"> <li>Speak to IT to set up number</li> <li>Review letters and update contact information</li> </ul>	01.07.18		Complete: Designated phone number, 3371, set up

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**SUBJECT: WELFARE REFORM AND UNIVERSAL CREDIT UPDATE**  
**DIRECTORATE: CHIEF EXECUTIVE**  
**LEAD OFFICER: ROB KAY, WELFARE REFORM AND PROJECTS OFFICER**

**1. Purpose of Report**

1.1 To provide Joint Committee with an update regarding the national and local position of welfare reform, with a specific focus on Universal Credit (UC) for this particular report.

**2. Executive Summary**

2.1 This report provides Joint Committee with an update on Universal Credit to include reference to the national and local position of Universal Credit, City of Lincoln, North Kesteven and the 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.

**3. Background**

3.1 Future reports will provide Joint Committee with an up to date position on the following:

- National Progress
- Full Service
- Impact on the Councils income (Rent, Council Tax and Overpayments)
- Universal Support Team
- Background Papers.

**4. National Progress – Universal Credit**

4.1 Latest figures published by the Department for Work and Pensions (DWP) were released on 22<sup>nd</sup> January 2019, with statistics relevant to the period up to 13<sup>th</sup> December 2018.

- 1,572,145 households receiving UC
- 581,383 were in employment.

4.2 It is expected managed payment figures will increase as the roll-out to Full Service gains momentum. A managed payment can be applied for by the landlord for payment of rent or rent arrears deduction. The payment of UC Housing Costs would be paid direct to the landlord. Landlords are required to complete a form requesting this.

4.3 **New Update:** DWP have announced that they are developing a Private Landlord Portal, whilst this is possibly better for the landlord to apply, this takes away the original concept of UC being paid direct to the tenant and budgeting.

## 5. **Recent Universal Credit changes – Autumn 2018 budget announcement and January 2019 announcement**

5.1 **Appendix 1** shows all recent announcements from the Autumn Budget 2018 and January 2019, along with updates as to how these will impact customers and the local authority.

## 6. **Impact on the Councils income – Rent**

6.1 The Welfare Reform and Project Officer has been working with City of Lincoln Housing and North Kesteven Housing colleagues to monitor the impact UC claims are currently having on rent collection.

6.2 The data shows that of the 976 City of Lincoln tenants in receipt of UC, as of 31<sup>st</sup> December 2018, there is an increase in arrears, for 485 tenants totalling £157,595.91. 462 arrears decreased by £110,840.66 from date of claim  
289 not in arrears or in credit

6.3 The data shows that of the 124 North Kesteven tenants in receipt of UC, as of 31<sup>st</sup> December 2018, there is an increase in arrears, for 100 tenants totalling £51,152.

## 7. **Universal Support Team**

7.1 The team continue to work on a rota basis and are located in Lincoln Jobcentre 9am – 12pm & 1pm – 4pm every day to be on hand to support customers. A dedicated e-mail address and telephone number are also in place, for direct access to this team.

7.2 Providing Assisted Digital Support (ADS) for customers wishing to make a claim by:

- Supporting the customer to transact with Universal Credit using a personal computer or their specific device
- Ensuring the customer keeps log-in credentials safe
- Setting up a personal email address if the customer doesn't already have one
- Ensuring that the customer is able to access their email account to retrieve the email code
- Ensuring that the customer is aware of the details they need to have to hand to safely complete their identity verification and claim Universal Credit
- Supporting the customer to scan relevant documents to process a claim
- Ensuring that the customer understands how to access the 'partner code' and the requirement for their partner to complete their online claim using the partner code

Helping our customers maintain their Universal Credit claim by providing assistance in:

- Managing their claim via the online Universal Credit account on whatever device they have access to
- Managing their own email account on whatever device they have access to
- Navigating the platform and clearing their personal 'To do' list

- Making journal entries
- Uploading documents including their CV and medical certificates
- Notifying a change of circumstances
- Making enquiries
- Printing documents

Provide Personal Budgeting Support (PBS) for our customers by:

- Supporting customers to manage their monthly payments and prioritise essential bills such as rent
- Supporting customers who require personal budgeting assistance to manage their Universal Credit. The support to be offered includes:
  - Identifying the appropriate channel and provider to deliver personal budgeting support and referring the customer to the right place immediately
  - Providing, or arranging, telephone or face to face personal budgeting support and follow up action as appropriate
  - Referring customers who may need an alternative payment arrangement to Jobcentre Plus
  - Referring customers to Welfare Advice for other support services such as debt advice

Resulting in claimants being able to:

- Understand their Universal Credit award and what they can claim as well as entitlement to other benefits or grants
- Work out monthly income and outgoings
- Recognise priority bills, such as rent
- Identify and cut back on non-essentials
- Complete and maintain a budgeting plan
- Convert from a Post Office card accounts/Simple payments to more appropriate banking products, including a transactional bank account
- • Set up or re-organise direct debits for prioritised payments.

7.3 The UC Support Team and Benefits Team Leaders are currently reviewing how UC claims are processed and will be putting guidance together for all processing staff. The guidance will clarify processes relating to the cessation of relevant Housing Benefit claims, processing Council Tax Support and allocating overpayments to the correct recovery method.

#### 7.4 **The UC Dashboard**

The UC Dashboard has been updated with statistical information and provides, at a quick glance, key information relating to the teams outputs, along with regional and national updates as of the end of quarter two. This can be seen in **Appendix 2 (City of Lincoln)** and **Appendix 3 (North Kesteven)**.

## **8. Welfare Reform Strategy Action Plan**

- 8.1 Progress with our shared service's 'high level' Welfare Reform Strategy Action Plan and Universal Credit Preparation Plan is to be monitored by Joint Committee, on a quarterly basis.

Updates on progress of both plans are provided at **Appendix 4** to this report. The action plan is fluid and flexible to respond to changes in welfare reform related priorities, changes and demands.

## **9. Excellence in Partnership Working**

- 9.1 Our Revenues and Benefits Shared Service secured a prestigious national award in October 2018 – the Institute of Revenues Rating and Valuation (IRRV)'s 'Excellence in Partnership Working' accolade. Whilst the submission for this award did focus on the shared service as a whole, there was also a key section around our UC support work with local DWP and the 'flagship' service provided to our customers.

## **10. Strategic Priorities**

- 10.1 **City of Lincoln: Let's drive economic growth and North Kesteven: Our economy and Our Community:** An understanding of Universal Credit and its wider impacts on City of Lincoln residents and arrears levels is important when reducing poverty and driving economic growth across the City. The aim of Universal Credit is to provide a simplified means tested benefits system, with the objective of avoiding the poverty trap, where there is a disincentive to work longer hours because of the loss of benefits and higher taxes.
- 10.2 **City of Lincoln: Let's drive economic growth and North Kesteven: Our economy and Our Community:** - A key role in reducing inequality by ensuring residents receive the benefits they are entitled to and providing money / debt advice. There are strategic priorities when engaging with those in receipt of Welfare Benefits, Digital Inclusion, Channel Shift/ Customer Experience, Financial Inclusion and Partnership Working are all key priorities as part of this report.

## **11. Organisational Impacts**

- 11.1 **Finance:** There could be significant financial implications to local authorities (for example, as landlords) as set out in previous updates of this report.
- 11.2 **Legal implications inc Procurement Rules:** There are no direct Legal or Procurement implications arising from this report.

## **12. Risk Implications**

- 12.1 The Council bears the risk of any rent arrears which are not fully recovered

### 13. Recommendation

13.1 Operational Board notes this report – and that an update will be presented at the next meeting of this Committee, on 4 June 2019.

**Key Decision** No

**Do the Exempt Information Categories Apply** No

**Call In and Urgency:** Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply? No

**Does the report contain Appendices?** Yes

**If Yes, how many Appendices?**

Appendix 1: Universal Credit Changes – 2019  
Appendix 2: Universal Credit Dashboard – City of Lincoln  
Appendix 3: Universal Credit Dashboard – North Kesteven  
Appendix 4: Welfare Reform Action Plan

**List of Background Papers:**

No

**Lead Officer:**

Rob Kay, Welfare Reform and Projects Officer,  
Telephone 01522 873767

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**APPENDIX 1: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update  
January 2019**

<b>Autumn Budget 2018</b>		
<b>Update</b>	<b>Details</b>	<b>Update for 19 February 2019</b>
<b>Universal Support</b>	<p><b>Universal Support</b> currently helps with digital support, such as using a computer to make or maintain their claim, and assistance in budgeting and managing their finances.</p> <p>DWP will enter into a new partnership with Citizens Advice immediately, and they will run their developing service alongside local authorities until 31 March 2019, when Citizens Advice will deliver the full service solely from April 2019.</p> <p>DWP will provide £39 million of funding from April 2019 to Citizens Advice and Citizens Advice Scotland to provide this service. DWP will fund Citizens Advice and Citizens Advice Scotland a further £12 million to set up delivery in the run up to April 2019 to ensure a smooth transition to the new delivery model. This funding is from Universal Support's £200 million budget, which was launched in 2015.</p> <p>There is still a great deal of clarity still required regarding how this arrangement may work, what the exact scope is, and what local authorities' role may be, with concerns as to how this model may operate and whether or not it will match the holistic service to UC customers currently being provided by our shared service to residents of Lincoln and North Kesteven.</p>	Verbal Update will be provided at this Committee

**APPENDIX 1: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update  
January 2019**

<b>Autumn Budget 2018</b>		
<b>Update</b>	<b>Details</b>	<b>Update for 19 February 2019</b>
<b>Universal Credit and Supported Housing</b>	<p>Consultation on a new way of providing funding for supporting housing and a “sheltered rent” closed earlier this year. The new arrangements were intended to start next year and this would have reduced drastically the number of Housing Benefit claims (including for those of pension age). Instead, ring fenced funding would have been provided to local authorities to provide support for these customers.</p> <p>On 9<sup>th</sup> August 2018, Government announced that all these plans have been dropped and that local authorities will therefore be maintaining Housing Benefit for all supported housing, including short-term. This reflects the particular needs of these vulnerable groups of people, and the government’s commitment to protect them. The plans to introduce a sheltered rent have also gone.</p>	
<b>Universal Credit Work Allowance increase</b>	<p>The Budget provides additional support for people transferring onto Universal Credit, and an increase in the Work Allowance that will mean 2.4 million households keep more of their income.</p> <p>The work allowance is the amount that households with children, and people with disabilities can earn before their Universal Credit award begins to be withdrawn.</p>	<p>The Work Allowance will be increased by £1,000 from April 2019. This means that 2.4 million households will keep an extra £630 of income each year.</p> <p>Higher work allowance = £503pcm Lower work allowance = £287pcm</p> <p>However if you are a worker who has no children or you or your partner have not been assessed as</p>

**APPENDIX 1: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update  
January 2019**

<b>Autumn Budget 2018</b>		
<b>Update</b>	<b>Details</b>	<b>Update for 19 February 2019</b>
		having limited capability for work, you will still not receive help in the form of work allowances.
<b>Extra help for households moving onto Universal Credit</b>	<p>The government has listened to representations made by stakeholders on Universal Credit, and the Budget announces an extensive package of extra support for claimants as they make the transition to Universal Credit.</p> <p>Building on the Autumn Budget 2017 announcement that Housing Benefit claimants will receive an additional payment providing a fortnight’s worth of support during their transition to Universal Credit, the government will extend this provision to cover the income-related elements of Jobseeker’s Allowance and Employment and Support Allowance, and Income Support. This will be effective from July 2020, and benefit around 1.1 million claimants.</p> <p>To support the transition to Universal Credit for all self-employed people, the government is also extending the 12-month grace period (the period before the Minimum Income Floor applies) to all gainfully self-employed people; giving claimants time to grow their businesses to a sustainable level. This will be introduced from July 2019 and implemented fully from September 2020.</p> <p>From October 2019, the government will reduce the maximum rate at which deductions can be made from a</p>	

**APPENDIX 1: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update  
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<b>Autumn Budget 2018</b>		
<b>Update</b>	<b>Details</b>	<b>Update for 19 February 2019</b>
	<p>Universal Credit award from 40% to 30% of the standard allowance. This will ensure that those on Universal Credit are supported to repay debts in a more sustainable and manageable way. From October 2021, the government will also increase the period over which advances will be recovered, from 12 to 16 months.</p>	
<p><b>Funding previously announced measures</b></p>	<p><b>for</b> In addition, the Budget provides funding for the announcements made by the Secretary of State for Work and Pensions in April and June 2018 to support the roll-out of Universal Credit. This provided additional protections for welfare claimants, including: enhancements to transitional protection for people moving onto Universal Credit; extending existing support for non-parental carers and adopters in tax credits and Universal Credit; and enhanced protections for those currently receiving the Severe Disability Premium to provide additional support as Universal Credit is implemented.</p> <p>The government will deliver these changes slowly and carefully. In response to feedback on Universal Credit, the implementation schedule has been updated: it will begin in July 2019, as planned, but will end in December 2023. The scope of the surplus earnings policy in Universal Credit will also be temporarily reduced: it will continue to affect large earnings spikes (above £2,500)</p>	

**APPENDIX 1: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update  
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<b>Autumn Budget 2018</b>		
<b>Update</b>	<b>Details</b>	<b>Update for 19 February 2019</b>
	until April 2020, when it will revert to affecting earnings spikes of £300.	
<b>Support for 18 to 21 year olds and supported Housing</b>	<p>In the Autumn Budget 2017, Ministers have reversed a 2014 move stopping individuals under the age of 21 automatically being entitled to Universal Credit housing costs. This decision has not yet been passed through legislation, and it is likely this will not take place in Autumn 2018 as the legislation has been delayed by 6 months.</p> <p>As a result, currently, 18 to 21 year olds are not eligible for support towards their housing costs, unless they are classed as vulnerable (as defined by DWP). Around 90% of 18-21 year olds are in these categories.</p> <p>The DWP provides a programme of intensive support for all 18 to 21 year olds making a new claim to Universal Credit. This programme is being rolled-out in line with the roll-out schedule for Universal Credit. It aims to encourage and support all young people into employment, work-related training or an apprenticeship, including a programme of intensive support that is tailored to the individuals' needs and job goals. If the individual is attending training or work experience, travel and childcare costs may also be reimbursed.</p>	<p>Since the meeting of this Committee in November 2018 from 31/12/2018 there is no longer any conditionality attached to 18-21 year olds to get help with housing Costs, any tenant that was previously tuned down help with Housing Costs will automatically be awarded from their assessment period following 31/12/2018.</p>

**APPENDIX 1: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update  
January 2019**

<b>January 2019</b>			
<b>Update</b>	<b>Effective Date</b>	<b>Details</b>	<b>Update for 19 February 2019</b>
<b>Severe Disability Premium and Universal Credit</b>	<b>January 2019</b>	<p>Claimants receiving the Severe Disability Premium in a legacy benefit will not be able to move on to Universal Credit for the foreseeable future.</p> <p>The SDP is an amount paid to severely disabled people as part of the following legacy benefits:</p> <ul style="list-style-type: none"> <li>• JSA(IB)</li> <li>• ESA(IR)</li> <li>• IS</li> <li>• HB</li> </ul> <p>These claimants also need to be in receipt of one of the following disability benefits, and live alone (or be classed as living alone) and no one must be in receipt of Carer's Allowance (CA) or the UC Carer Element for caring for them:</p> <ul style="list-style-type: none"> <li>• Disability Living Allowance (DLA) care component at the middle or higher rate</li> <li>• Personal Independence Payment (PIP) daily living component at the standard or enhance rate</li> <li>• Attendance Allowance or Constant Attendance Allowance</li> <li>• Armed Forces Independence Payment (AFIP).</li> </ul> <p>If the claimants are in a couple, they get the higher amount of severe disability premium if the claimant and partner are eligible.</p>	

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January 2019**

<b>January 2019</b>			
<b>Update</b>	<b>Effective Date</b>	<b>Details</b>	<b>Update for 19 February 2019</b>
		Claimants who receive a legacy benefit which includes the SDP, will no longer receive SDP or any other premium once they make a claim to UC. These premiums are not payable under UC regulations.	
<b>Universal Credit Two-child Limit</b>	<b>1 February 2019</b>	Families with more than two children who make new claims for Universal Credit will no longer be directed to claim Child Tax Credit.  The two child limit will not apply to those families.  Those who have been awarded Universal Credit after April 2017 and have two or fewer children but who then have a third or subsequent child will have the two-child limit applied.	
<b>Pension Credit Child allowances</b>	<b>1 February 2019</b>	People of Pension Credit age who are responsible for a dependent child or children, will receive help with the child or children in the form of dependent allowances paid within their Pension Credit award. This is because you will no longer be able to make a new claim for Tax Credits (Child Tax Credit or Working Tax Credit) if you are Pension Credit age.	
<b>Universal Credit Work Allowance Increases</b>	<b>April 2019</b>	Work allowances are the amount of your earnings from employment that you are allowed to keep before it is taken into account as income for Universal Credit. These will increase by £1000 for the year, meaning	

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January 2019**

<b>January 2019</b>			
<b>Update</b>	<b>Effective Date</b>	<b>Details</b>	<b>Update for 19 February 2019</b>
		that people in work who have children or have limited capability for work (or their partner has limited capability for work) will benefit by up to £630 per year.	
<b>National Minimum Wage Increase</b>	<b>April 2019</b>	<p>The National Living Wage will increase by 4.9% from £7.83per hour to £8.21 per hour in April 2019.</p> <p>The National Minimum Wage increases from £7.38 per hour to £7.70 per hour for people aged 21 to 24; and from £5.90per hour to £6.15per hour for people aged 18 to 20.</p>	
<b>Universal Credit and Mixed Aged Couples</b>	<b>16 May 2019</b>	Couples where one partner is aged above Pension Credit age and the other is aged under Pension Credit age, will no longer be able to make a new claim for Pension Credit. Instead they will have to claim Universal Credit. Mixed aged couples on Pension Credit can continue to remain on Pension Credit as long as they continue to satisfy the other qualifying conditions for Pension Credit.	



Average time spent with customers — **44 minutes**

Average age of customers — **42**

**170** ADS

**PBS total**

No answer — **17**

Contact info needed — **0**

**113** PBS

No help wanted — **2**

71

**Oct—Dec 2018**

UC DHPs **April 2018** —

On-going DHP — **76**

One-off DHP — **11**

**Total paid: £31,731.72**

As of **31/12/2018**

Council Tenants — **976**

**UC Housing COLC as of 31/12/2018**

**485** arrears increased total of **£157,595.91** from date of claim

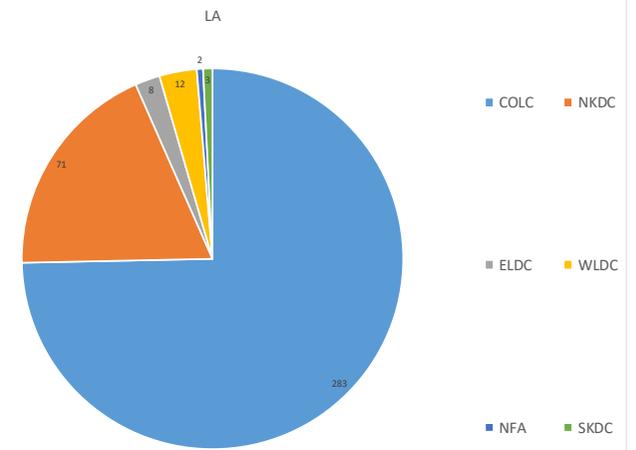
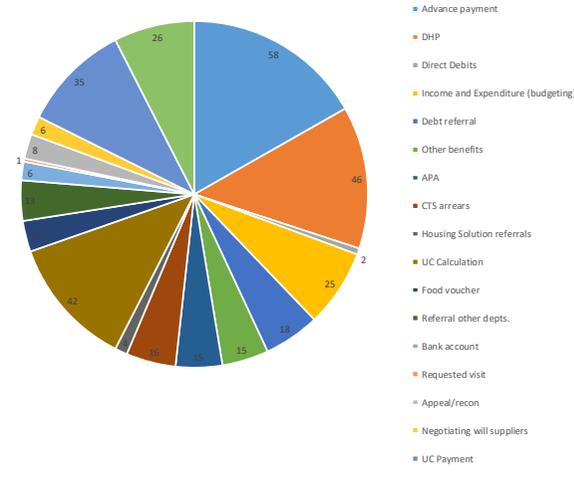
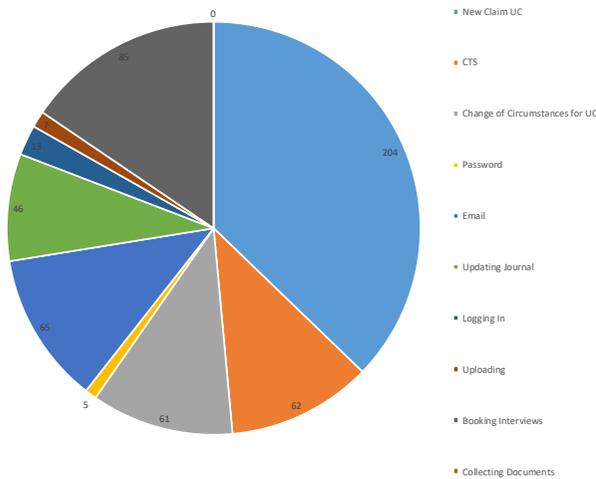
**462** arrears decreased by **£110,840.66** from date of claim

**289** not in arrears or in credit

Total increase **£46,755.25** from dates of claim

Total arrears at point of claim was **£273,086.83**

Total arrears as of **31/12/2018** is **£319,582.08**



## Key dates:

- Entitled to a severe disability premium will NOT be able to naturally migrate to Universal Credit from 16/01/2019
- 3 or more Children Under UC — 31 January 19
- A £1000 annual increase in the Work Allowances from April 2019
- Mixed age couples will go by working at member of the household
- One year grace period from MIF for people joining Universal Credit who already have an existing business that may have been running for several years. – July 2019 – Sep 2020
- A reduction in the cap for deductions from 40% to 30% - Oct 2019
- 2 week run on of ESA IR, JSA IB and IS, benefits for people moving onto Universal Credit from those benefits. – July 2020
- Advances can be repaid over 16 months—October 2021

## COLC

As of **20/12/2018:**

HB working age —  
**4,709**

HB pensioners —  
**1,900**

CTS working age &  
pensioners — **8,617**

UC Customers CTS  
— **1160**

## NKDC

As of **20/12/2018:**

HB working age —  
**2,343**

HB pensioners —  
**1,846**

CTS working age &  
pensioners — **5,666**

UC Customers CTS  
— **194**

### COLC UC Stats DATE 11/10/2018

National —  
**1,317,965**

COLC — **3,264**

NKDC — **932**

### COLC UC Stats DATE 11/10/2018

Employment —  
**1,219**

Not in employment  
— **2,044**

### COLC UC Stats Age

11/10/2018

16-19 —**193**

20-24 —**607**

25-29 —**592**

30-34 —**442**

35-39 —**344**

40-44 —**298**

45-49 — **254**

50-54 —**217**

55-59 —**183**

60-65 —**122**

Over 65 —**5**

Unknown —**0**

### COLC UC Stats by work condition 11/10/2018

Unknown or missing regime — **0**

Preparing for work — **65**

Planning for work — **79**

Working – no requirements —**584**

No work requirements — **494**

Working – with requirements — **498**

Searching for work — **1,536**

Average time spent with customers — **49 minutes**

Average age of customers — **45**

## NK Only

**45** ADS

**73** **26** PBS

## PBS total

No answer — **15**

Contact info needed — **0**

No help wanted — **2**

## Oct—Dec 2018

### UC DHPs from April 2018

On-going — **26**

One-off — **3**

**Total Paid—£11,398.49**

As of **31/12/2018**

Council Tenants — **124**

## UC Housing NKDC as of 31/12/2018

124 UC cases

### Now

Total Arrears – £51,152

Average Arrears – £407.00

Number of cases in arrears – 100

### At Date of Claim

Total Arrears - £30,328

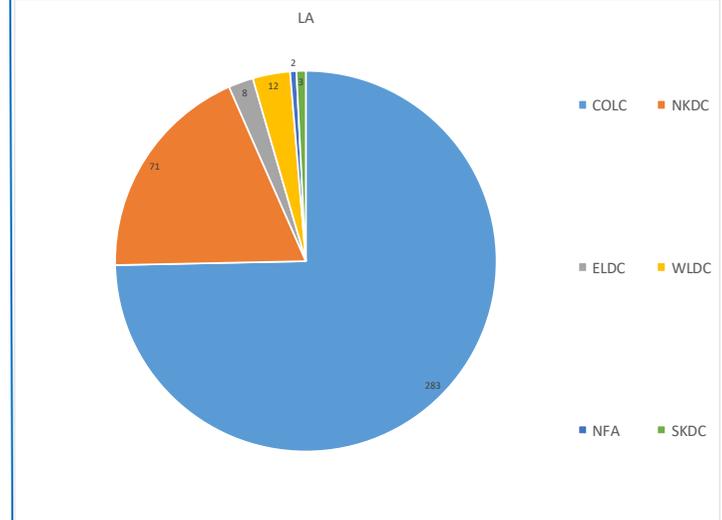
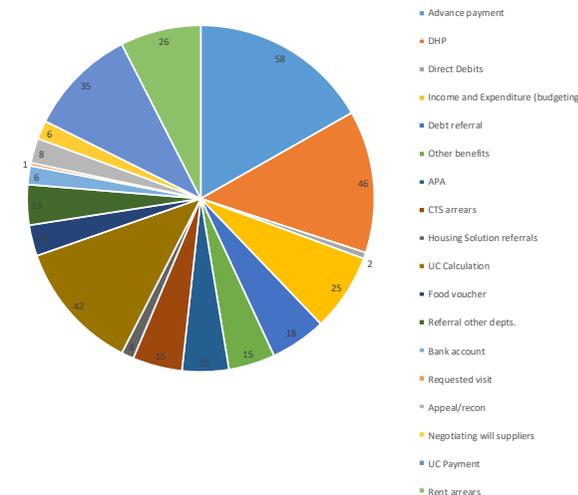
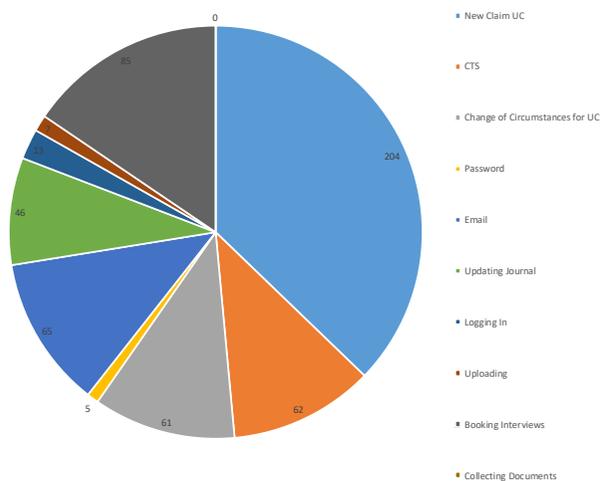
Average Arrears £245

Number of cases in arrears – 79

Cases where arrears have increased since start of claim – 71

Cases where arrears have decreased since start of claim – 31

Cases where balance has remained the same since start of claim – 22



## Key dates:

- Entitled to a severe disability premium will NOT be able to naturally migrate to Universal Credit from 16/01/2019
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HB working age —  
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HB pensioners —  
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CTS working age &  
pensioners — **5,666**

UC Customers CTS  
— **194**

## National UC Stats

**09/08/2018**

National —  
**1,317,965**

COLC — **3,264**

NKDC — **932**

**APPENDIX 4: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update February 2019**

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
WR3	Analysis of any shared service staff training and development needs, identification of transferrable skills	Head of Shared Revenues and Benefits	<p>Moved to Q3 2017/18, and ongoing</p> <p>(was Quarter 2 2016/17)</p>	<p>Update 4.5.16: Suggested insufficient information is available at this stage, so this analysis to move to same timescale alongside action WR2. Universal Credit training to staff (and other stakeholders) delivered prior to 30.11.15, and updates as required.</p> <p>Update 21.10.16: Suggested insufficient information is available at this stage, so this analysis to move to same timescale alongside action WR2.</p> <p>Update March 2017: As above – permanent WR&amp;PO role in place – rollout of Full Service UC to be confirmed</p> <p>Update July 2017: Full service rollout announced and WR meetings at COL and NK have been re-introduced with Welfare Reform Lead chairing these meetings. Feed in from Vision 2020 – 2 projects Welfare Reform (WR) and Universal Credit (UC).</p> <p>Update November 2017: UCFS meetings have taken place at both sites – UC Planning document is being developed and will be completed in readiness for an update to CMT on 28 November.</p>

**APPENDIX 4: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update  
February 2019**

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
				<p>Update November 2017: WR &amp; UC meeting due to take place on 28 November with both COL and NK – presentations by 2 companies to show online UC calculation tool.</p> <p>Update November 2017: RB Business Plan for 2018/19 will be going to JC on 28 November – inclusion of training needs analysis</p> <p>Update January 2018: Expression of Interest advert has been sent to Shared Service Benefit Officer on 17/01/2018 for a seconded opportunity to be involved with UC Support Team project.</p> <p>Opportunity is ring fenced to HB Officers as an ongoing knowledge of HB/UC is essential</p> <p>Update May 2018: Expression of interest successful and 2 HB Officers have secured full time roles as UC Support Team Members.</p> <p>In post from 12 February 2018 receiving training and live with full service from 7 March 2018.</p> <p>Update July 2018: Test and learn approach is being reviewed during July, to look at original aims, objectives and outcomes so far.</p>

**APPENDIX 4: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update February 2019**

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
				Update July 2018: Outcome of review will form preparation for Full Service rollout for North Kesteven
WR4	Assess impacts of COL/NK funding changes regarding national UC rollout	Head of Shared Revenues and Benefits	Ongoing	<p>Overall DWP and DCLG Admin Grants reduced for 2016/17 (for HB and CTS, respectively) and adjustment made to shared service budget.</p> <p>Update 21.10.16: DWP and DCLG Amin grants not yet known for 2017/18</p> <p>Update 27 February 2017: Universal Support 17/18 grant funding offer received for personal and digital support:            COL = £4,107            NK = £1,028            This is broken down in to quarters – sign up required from S151</p> <p>Update 13 March 2017: Universal Support funding agreement signed by COL and NK S151</p> <p>Update 10 July 2017: Q1 performance against US funding:            Digital support           <ul style="list-style-type: none"> <li>• COL = 1 – target is 7</li> <li>• NK = 0 – target is 5</li> </ul>           Personal budgeting           <ul style="list-style-type: none"> <li>• COL = 4 – target is 5</li> </ul> </p>

**APPENDIX 4: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update February 2019**

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
				<ul style="list-style-type: none"> <li>• NK = 0 – target is 3</li> </ul> <p>Actions being taken – WR meetings arranged for August to remind all of responsibilities and requirement of funding – Vision 2020 meeting for COL, Customer experience board for COL, Digital inclusion meeting for NK</p> <p>Update: Q2 performance against US funding: Digital support</p> <ul style="list-style-type: none"> <li>• COL = 9 – target is 9</li> <li>• NK = 7 – target is 6</li> </ul> <p>Personal budgeting</p> <ul style="list-style-type: none"> <li>• COL = 4 – target is 6</li> <li>• NK = 1 – target is 3</li> </ul> <p>1. Actions being taken – PBS and ADS are included in the UC Plan and will be a standing item on the WR and UC Planning meeting agendas so performance can be reported.</p> <p>Update: Q3 performance against US funding: Digital support</p> <ul style="list-style-type: none"> <li>• COL = 15 – target is 7</li> <li>• NK = 4 – target is 4</li> </ul> <p>Personal budgeting</p> <ul style="list-style-type: none"> <li>• COL = 4 – target is 4</li> <li>• NK = 1 – target is 3</li> </ul>

**APPENDIX 4: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update February 2019**

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
				<p>PBS is reliant on DWP referrals, these have not been coming through and this has been fed back in the quarterly MI reports.</p> <p>Update: Q4 performance against Universal Support (US) funding: Digital support</p> <ul style="list-style-type: none"> <li>• COL = 15 – target is 7</li> <li>• NK = 4 – target is 4</li> </ul> <p>Personal budgeting</p> <ul style="list-style-type: none"> <li>• COL = 4 – target is 4</li> <li>• NK = 1 – target is 3</li> </ul> <p>With the introduction of the UC Support team, the number of customers supported has increased significantly since full service rollout date.</p> <p>Update July 2018: 2017/18 – Hit 95% of the target for NKDC and 134% for COLC, meaning NKDC received full finding and COLC received additional 20%</p> <p>Update July 2018: Q1 2018/19 Target: ADS COLC 25; NKDC 8 PBS COLC 40; NKDC 12</p>

**APPENDIX 4: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update  
February 2019**

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
				<p>Actual ADS COLC 217; NKDC 26 PBS COLC 125; NKDC 19</p> <p>Also assisted 5 from ELDC, 18 from WLDC and 14 NFA</p> <p>Received an additional £19,000.00 funding due to high volumes.</p> <p>Q2 Target: ADS COLC 27; NKDC 8 PBS COLC 41; NKDC 13</p> <p>Actual ADS COLC 211; NKDC 18 PBS COLC 72; NKDC 16</p> <p>Q3 Target: ADS COLC 26; NKDC 12 PBS COLC 42; NKDC 18</p> <p>Actual ADS COLC 170; NKDC 47 PBS COLC 131; NKDC 28</p>

**APPENDIX 4: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update February 2019**

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
WR11	Training delivery plan for UC and USDL to be formulated	Revenues and Benefits Manager	Ongoing  (was March 2015 – June 2015)	<p>Training/awareness sessions for various internal and external stakeholders underway.</p> <p>Update April 2017: WR&amp;P Officer attendance at team meetings to advise on 17/18 national changes – including local CTS schemes</p> <p>Update July 2017: Ongoing for assessment staff with changes to legislation included in monthly QC checking – any fails will be picked up with individuals – ongoing and more than 1 staff member will be picked up in individual 1-1's and team meetings respectively. LCTS to be included in QC from September 2017 and undertaken by</p> <p>Update January 2018: As above</p> <p>More in depth Training will begin from Mid-February</p> <p>Update May 2018: 1-1 training has been provided to all Benefits Officer across the shared service – this has covered the role of the UC Support Team and the impacts of recent legislation changes surrounding 2 week transition award of HB</p> <p>Update July 2018: Welfare Reform and Project Lead is based at NKDC 1 day per week to support Housing Benefit Officers</p>

**APPENDIX 4: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update February 2019**

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
				Update Nov 2018: NKDC based UC Support/champion for processing, have appointed an apprentice to be based at NKDC to assist UC Officer.
WR13	Other opportunities for co-location to support USDL work identified	Head of Shared Revenues and Benefits	Ongoing throughout 2015/16, 2016/17 and into 2017/18.	<p>Update 20.1.16: Discussions taking place with Sleaford and District Citizens Advice, for potential trial co-location in NKDC Offices, Sleaford.</p> <p>Update 4.5.16: 6-month trial of Citizens Advice in NKDC Offices commenced 3.5.16.</p> <p>Update: 24.10.16 Trial in NKDC has seen low numbers (23 clients in 5 months) with most referrals coming from DWP. CAML feel that this is positive and expected take-up to be slow. Have extended trial to March 2017</p> <p>Discussions are ongoing with CA in Lincoln. Prices &amp; options for accommodation and capital works have been supplied and CA are now looking at whether this presents a workable solution for their business.</p> <p>Update April 2017: CAML have extended their location at NKDC offices following successful trial.</p> <p>Update July 2018:</p>

**APPENDIX 4: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update February 2019**

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
				<p>Welfare Reform and Project Lead will begin meetings with Sleaford Jobcentre plus to assist UC customers from Nov 2018</p> <p>Meetings continuing on a quarterly basis to iron out any issues from either side.</p>
WR15	Invest to Save monthly monitoring	Revenues and Benefits Manager	March 2018	<p>Update April 2017: This was the LCC Corporate Fraud funded project. From April 2017 this will be funded solely through the shared service.</p> <p>Update July 2017: Q1 performance is positive. CM attending invest to save meeting in August for a paper to go to LFO's on 31 August</p> <p>Update September 2017: LFO's have considered the invest to save paper and project plan – further meeting to take place in October 2017 for all LFO's to be in attendance and give steer for next steps / agreement of any joint working</p> <p>Update November 2017: LFO's have considered the invest to save paper and project plan – Manager service SPD review to be undertaken in April – with COL/WL leading on tender process. Managed service CTS review to be undertaken with tender as part of SPD process. COL/NK Invest to save project ongoing</p>

**APPENDIX 4: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update  
February 2019**

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
				<p>to 31 March 2018 for Business Rates, SPD and empty homes (agreement of RB Joint Committee)</p> <p>Update January 2018: Managed Service Single Person Discount review to be undertaken from April 2018 to August 2018. Managed service CTS review is going back to LFO's for discussion as only WL, COL and NK would be interested and there could be significant impact on resources if this is undertaken at the same time as the SPD review. COL/NK Invest to save project for Business Rates has now ceased as the resource has been removed from this project. Current NDR staff will be picking this up as part of day-to-day working.</p> <p>Update May 2018: Managed Service Single Person Discount Review – successful procurement exercise this been undertaken with a supplier being contacted for contracts to be signed and access to system. Project is due to start in June 2018</p> <p>Update July 2018: SPD review has started with letters being issued to those customers identified as high risk. Review to be completed by end August 2018</p>
WR17	Quarterly updates to Revenues and Benefits Joint Committee on	Revenues and Benefits Manager	Quarterly throughout 2017/18	Update 22.10.15: Updates presented to Joint Committee 8.9.15 and 24.11.15.

**APPENDIX 4: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update February 2019**

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
	welfare reform strategy progress			<p>Update 20.1.16: To be presented to Joint Committee 23.2.16.</p> <p>Update 4.5.16: To be presented to Joint Committee 24.5.16.</p> <p>Updated 5.8.16: To be presented to Joint Committee 6.9.16.</p> <p>Updated: 21.10.16: To be presented to Joint Committee 22.11.16</p> <p>Updated April 2017: Decision taken not to provide updates for next 2 JC's due to minimal activity. Update from November to include UIC full service preparation.</p> <p>Updated September 2017: UC Full service and WR update to be issued to JC for 28 November and COL CMT on 14 November.</p> <p>Updated November 2017: As above, although CMT date amended to 28 November due to a number of updates received and outcome of autumn statement on 22 November.</p> <p>Updated January 2018: CMT have approved the formation of a UC Team</p>

**APPENDIX 4: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update February 2019**

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
				<p>Updated May 2018: UC progress and UC Support Team update to be provided at COL CMT on 29 May 2018, 12 June 2018 R&amp;B Joint Committee and 18 June 2018 NKDC P&amp;R OSP.</p> <p>Update July 2018: UC progress update to be provided at RB JC in September 2018 and NKDC P&amp;R OSP on 25 September 2018</p>
WR27	Agreement to initial Universal Credit Partnership Delivery Agreement between COLC/NKDC and DWP	Head of Shared Revenues and Benefits	<p>2017/18 DP agreement to be finalised and in place – target by end March 2017.</p> <p>2018/19 – review Universal Support funding agreement</p>	<p>Update 27 February 2017: Universal Support 17/18 grant funding offer received for personal and digital support: COL = £4,107 NK = £1,028 This is broken down in to quarters – sign up required from S151</p> <p>Update 13 March 2017: Universal Support funding agreement signed by COL and NK S151 Update 13 March 2017: Funding will need to be reviewed for 2018/19 and new agreement signed</p> <p>Update May 2018: 2018/19 funding agreements – have been agreed and signed, for both COL and NK.</p> <p>Update July 2018: COLC gained additional 20% USDL funding.</p>

**APPENDIX 4: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update February 2019**

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
			New Action for 2019/20 – review Universal Support funding agreement	Exceeded targets massively, further work undertaken with partnership manager to scrutinise support provided stats
WR28	Review of DHP procedures for COL + NK for 2016/17 and 2017/18	Benefits Team Leader (Lincoln	Prior to 1 <sup>st</sup> April 2017, and throughout remaining 2016/17 and 2017/18 via monthly monitoring	<p>Update March 2017: Policy for 17/18 reviewed and agreed.</p> <p>Update April 2017: Benefits Team Leader to meet monthly with respective Housing Teams and colleagues to discuss DHP. Plan in place for additional resource during renewal period – on track</p> <p>Update July 2017: Q1 Monitoring – on track for spending – no concerns identified.</p> <p>Update August 2017: CM attendance at Vision 2020 meeting to request transfer of DHP underspend in HRA to CTS – this was refused. Led to Bob asking for review of policy if we have underspend, are we too harsh? Meeting arranged with CM, LB, and Housing in September 2017. Meeting also arranged in September with NK Housing for potential bid to continue with 320k from NK HRA and general review of policy. LB will review policy for introduction of more UC customers and monthly changes.</p>

**APPENDIX 4: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update February 2019**

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
				<p>Update November 2017: Meetings held with Housing Teams to discuss budget and current spend – both teams asked to review and return with proposals for remaining spending of both government and HRA funded: -</p> <ul style="list-style-type: none"> <li>• COL = £174,966 (budget =</li> <li>• NK = £116,198 (budget =</li> </ul> <p>Update January 2018: Meetings continue to be held with Housing Teams to discuss budget and current spend – both teams asked to continue to review awards and highlight cases in need of DHP.</p> <p>Update May 2018: Underspend for both COL and NK DHP for 17/18. DHP meetings being arranged for 18/19 across both sites – this will encompass other areas such as performance updates, review of eviction reasons etc</p> <p>Update July 2018:            NKDC unallocated = £45,036.68 24/07/2018 from £126,693            COLC unallocated = £87,425.06 24/07/2018 from £208,624</p> <p>Update October 2018:</p>

**APPENDIX 4: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update February 2019**

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
				<p>NKDC unallocated = £ 27,424.54 31/10/2018 from £126,693            COLC unallocated = £ 55,916.66 31/10/2018 from £208,624</p> <p>Updated 16<sup>th</sup> January 2019:            COLC unallocated £31,368.61            NKDC unallocated £16,694.37</p>
WR29	Monthly monitoring of 2017/18 Council Tax Support Schemes COL + NK	Revenues and Benefits Manager	Monthly, throughout 2017/18 as part of taxbase	<p>Update July 2017: Ongoing through taxbase:            COL = Overspend as Ctax increase as not included as part of modelling / budgeting            NK = On track as per budget</p> <p>Update November 2017: Ongoing through taxbase:            COL = £7,483,735 (reduction from September of £70,080) – MTFS is £7,471,020 – total overspend of £12,715            NK = £5,127,738 – On track as per budget – reduction from September of £10,743</p> <p>Update November 2017: Ongoing through taxbase:            COL = £7,418,927 (reduction from November of £64,808) – MTFS is £7,471,020 – total underspend of £52,093            NK = £5,120,670 – On track as per budget – reduction from November of £7,067</p>

**APPENDIX 4: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update February 2019**

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
				<p>Update May 2018: 18/19 scheme in place. Ongoing review through taxbases.</p> <p>2019/20 Scheme to start being considered in June 2018. Committee timetables in place.</p> <p>Update July 2018: 19/20 Schemes are currently being modelled with meetings planned with Chief Finance Officers and Leaders in early August. NKDC CMT taking place on 14 August 2018 with COL CMT on 21 August 2018.</p> <p>CTS Scheme out at public consultation</p>
WR30	Review of 2017/18 Council Tax Support Schemes COL + NK for 2018/19 scheme	Revenues and Benefits Manager	End July 2017	<p>Update July 2017: COL scheme has caused vulnerable customers to face hardship. Protection for vulnerable customers to be included in option for 18/169 scheme Increase in EHP awards has resulted in full 310k being spend – report to CMT to request transfer of DHP from HRA to EHP</p> <p>Update August 2017: DHP transfer declined by CMT – EHP to be awarded as Section 13A – relevant officers made aware.</p> <p>Update May 2018: 18/19 scheme in place. Ongoing review through taxbases.</p>

**APPENDIX 4: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update February 2019**

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
				<p>2019/20 Scheme to start being considered in June 2018. Committee timetables in place.</p> <p>Update July 2018: 19/20 Schemes are currently being modelled with meetings planned with Chief Finance Officers and Leaders in early August. NKDC CMT taking place on 14 August 2018 with COL CMT on 21 August 2018.</p>
WR31	<p>Assessment of options for 2018/19 Council Tax Support Schemes COL+NK – including links into UC</p> <p>New action – consider options for CTS schemes 2019/20</p>	<p>Revenues and Benefits Manager</p> <p>Revenues and Benefits Manager</p>	<p>End July 2017</p> <p>Quarter 2 2012017/18</p>	<p>Update June 2017: Modelling for 18/19 schemes taking place. No modelling tool available for UC banding from Northgate. Unlikely to change UC for 18/19 – will review impacts and consider approach for 19/20 once we know facts and how UC is impacting on customers, service, collection etc.</p> <p>Update July 2017: COL scheme = Agreement for all options to be considered – support for protection of vulnerable customers</p> <p>NK Scheme = CM met with S151 Officer to discuss options – and steer on consultation. All options can be considered at this stage</p> <p>Update August 2017:</p>

**APPENDIX 4: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update February 2019**

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
				<p>COL Scheme = Agreement to all options to be considered as part of consultation – preference for protection for vulnerable and removal of family premium.</p> <p>Update September 2017: NK Scheme = CMT 6<sup>th</sup> September – request for presentation to Exec which CM has put together and is with S151 for agreement.</p> <p>CM has engaged team members for consultation process – web, comms, media teams and Critiqom are also aware in readiness for URL on site and issuing of letters and press release.</p> <p>Update November 2017: NK Scheme = OSP P&amp;R 13 November. Consultation ends 17 November – 372 respondents as at 3 November COL Scheme = consultation ends 10 November – 332 responds as at 8 November</p> <p>Update January 2018: Both Executives have approved the proposed CTS schemes and will be going to Council on 23<sup>rd</sup> January (COL) and 25<sup>th</sup> January (NK).</p> <p>Approved at Executive / Executive Board as follows: -</p>

**APPENDIX 4: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update February 2019**

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
				<p>COL – Protection for vulnerable and increase EHP to £20,000                      NK – Reduce backdating to 3 months and continue with EHP of £20,000</p> <p>Update May 2018: 19/20 Scheme to start being considered in June 2018. Committee timetables in place.</p> <p><b>Update February 2019:                      2019/20 schemes for COL and NK approved January 2019</b></p>
WR32	Produce annual COL/NK welfare reform report	Revenues and Benefits Manager	<p>November 2017</p> <p>November 2018</p>	<p>Update May 2018: 2018/19 Report – Complete and report has been approved by R&amp;B Joint Committee on 20 February 2018</p> <p>Update May 2018: 2019/20 report required</p>
WR33 Vision 2020	Preparing for Universal Support group to meet between COL and NK (working with partners as required)	Revenues and Benefits Manager as part of Vision 2020	From January 2015, and ongoing	<p>Updated April 2017: Was formation and development of USDL but WLDC have removed this work. UC to be managed by WR&amp;P Officer for the shared service.</p> <p>Updated August 2017: CMT / Vision 2020 have agreed to the formation of a ‘preparing for Universal Support’ Group. To be managed by CM as part of Vision 2020 attendance and direct management to WR&amp;P Officer</p>

**APPENDIX 4: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update February 2019**

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
				<p>Updated November 2017: Monthly meetings have been planned and include R&amp;B, Housing, Customer Services, JCP – Comms teams will also be invited.</p> <p>Updated January 2018: Monthly meetings taking place alternate sites</p> <p>Updated May 2018: Monthly meetings taking place alternate sites</p> <p>Updated July 2018: Monthly meetings taking place alternate sites</p>
WR34 Vision 2020	Further Support for residents to adapt to welfare reform	Revenues and Benefits Manager	Ongoing throughout 2017/18 and beyond	<p>Updated July 2018: Update is the same each month.</p> <p>Vision 2020 performance update template provide all updates on this</p>
WR35 Vision 2020	Maintaining support for people moving to Universal Credit	Revenues and Benefits Manager	Ongoing throughout 2017/18 and beyond	<p>Updated July 2018: Update is the same each month.</p> <p>Vision 2020 performance update template provide all updates on this</p> <p>Links to WR33</p>
WR36	Analyse potential impacts of key welfare	Revenues and Benefits Manager	Ongoing throughout	<p>Updated July 2018: Update is the same each month.</p>

**APPENDIX 4: 19 February 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update February 2019**

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
	reform announcements from Budgets in 2017		2017/18 and beyond	Vision 2020 performance update template provide all updates on this  Links to WR34  Update November 2018: Appendix 4

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**SUBJECT: REVENUES AND BENEFITS - QUARTER 3 2018/19  
MONITORING**

**REPORT BY: CHIEF EXECUTIVE & TOWN CLERK**

**LEAD OFFICER: JACLYN GIBSON, CHIEF FINANCE OFFICER**

## 1. Purpose of Report

- 1.1 To present to Members the third quarter's performance for the Revenues and Benefits shared service for 2018/19.

## 2. Executive Summary

- 2.1 The forecast outturn for 2018/19 predicts that there will be an underspend against the approved budget of £165,248.

## 3. Background

- 3.1 The approved budget for 2018/19 was agreed by Revenues and Benefits Joint Committee on 20<sup>th</sup> February 2018. The Committee set a budget for 2018/19 of £2,285,710 for the service, which has since been increased after receipt of New Burdens Grants, and this report shows the progress against this budget for quarter three and shows a projected outturn for the full year.
- 3.2 The budget, as mentioned in paragraph 3.1, has subsequently been revised for the following New Burdens Grants notified to each Authority in quarter three: -

<b>Budget adjustment</b>	<b>CoLC</b>	<b>NK</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Universal Credit Support 2018/19 – Adjustment	(8,412)	(4,069)	(12,481)
LA Data Sharing Programme: IT Costs	11,318	11,318	22,636
UC LA Universal Support Grant Funding Q2 2018/19	15,189	1,372	16,561
Retail Discounts – New Burdens	1,725	1,725	3,450
<b>TOTAL</b>	<b>19,820</b>	<b>10,346</b>	<b>30,166</b>

## 4. Quarter three Financial Performance and Forecast Outturn 2018/19

### 4.1 Performance Quarter

Financial performance for the third quarter of 2018/19 is detailed in Appendix 1 to this report. At quarter 3, there is an underspend against the approved budget of £78,316.

#### 4.2 Forecast Outturn 2018/19

The forecast outturn for 2018/19 predicts that there will be an underspend against the approved budget of £165,248. Further detail is attached as Appendix 2 to this report.

4.3 A summary of the main forecast year-end variations against the approved budget for 2018/19 is shown below.

<u>Service Area</u>	<u>£</u>	<u>Reason for variance</u>
<b>Revenues and Benefits Management</b>		
IT Costs	19,950	Increased cost of Northgate System.
<b>Benefits</b>		
Salaries (Including Career Grades)	(58,660)	Vacant hours together with career graded posts budgeted at top of scale however not all officers are at the top of the scale. Additional agency staff costs assumed for February – March 2019.
New Burdens Grants	(160,400)	New Burdens Funding, offset against specific IT costs incurred, but cost of additional activities contained within current staffing structure.
Printing/Posting/Stationery	(16,750)	Savings from production and dispatch of correspondence.
<b>Revenues Local Taxation</b>		
Subscriptions	11,550	Analyse Local Annual Fees included within this.
Printing/Postage/Stationery	48,890	Activity Level estimated to be the same as previous years.

4.4 A forecast underspend of £165,248 represents a variance of 7% against the total Shared Service budget. As set out above the primary reason for this significant underspend is the allocation of in-year, annual, new burdens funding. The nature of this funding is such that it is difficult to forecast or have any assurance that funding will continue beyond one financial year, making it difficult to recruit permanent staff to perform the additional work required. The impact being that existing Shared Services officers are then required to focus on the new work areas which can be to the detriment of 'core' workloads. This forecast underspend should therefore be considered alongside the quarterly performance report elsewhere on this Committee's agenda.

4.5 Subject to the final outturn position it will be proposed that a significant proportion of the underspend be carried forward to 2019/20. Member's initial comments are therefore sought on how any 'carry forward' of underspend could be utilised in 2019/20.

## 5. Organisational Impacts

- 5.1 The financial implications are contained throughout the report.
- 5.2 There are no legal implications arising from this report.
- 5.3 There are no equality and diversity implications as a direct result of this report.

## 6. Risk Implications

- 6.1 A full financial risk assessment is included in the Council's Medium Financial Strategy.

## 7. Recommendation

- 7.1 Members are recommended to note the actual position at quarter 3 and consider this alongside the Quarter 3 Performance report elsewhere on this agenda.
- 7.2 Members are recommended to approve the budget adjustments for 2018/19 as per para 3.2.
- 7.3 Members are asked to provide any initial comments on how any underspends 'carried forward' to 2019/20 could be utilised.

**Key Decision** No

**Do the Exempt Information Categories Apply?** No

**Call in and Urgency:** Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply? No

**How many appendices does the report contain?** Two

**List of Background Papers:** None

**Lead Officer:** Martin Walmsley  
Telephone 01522 873597

**Appendix 1 Actual Position as at Quarter 3 2018/19**

	Profiled Budget			Actual			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits Management	128,870	128,870	257,733	157,719	157,719	315,438	28,849	28,849	57,698
Benefits	589,030	400,780	989,811	445,360	322,502	767,862	(143,670)	(78,278)	(221,948)
Revenues Local Taxation	247,240	257,270	504,513	290,976	302,853	593,829	43,736	45,583	89,319
Money Advice	83,850	83,850	167,700	82,157	82,157	164,315	(1,693)	(1,693)	(3,385)
<b>Total 2018/19</b>	<b>1,048,990</b>	<b>870,770</b>	<b>1,919,757</b>	<b>976,213</b>	<b>865,231</b>	<b>1,841,444</b>	<b>(72,777)</b>	<b>(5,539)</b>	<b>(78,316)</b>

## Appendix 2 Forecast Financial Outturn for 2018/19

	Annual Budget			Forecast Outturn			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits Management	158,600	158,600	317,200	170,730	170,730	341,460	12,130	12,130	24,260
Benefits	785,056	534,152	1,319,208	636,601	433,143	1,069,744	(148,455)	(101,009)	(249,464)
Revenues Local Taxation	315,495	328,295	643,790	347,449	361,545	708,994	31,954	33,250	65,204
Money Advice	111,800	111,800	223,600	109,176	109,176	218,352	(2,624)	(2,624)	(5,248)
<b>Total 2018/19</b>	<b>1,370,951</b>	<b>1,132,847</b>	<b>2,503,798</b>	<b>1,263,955</b>	<b>1,074,595</b>	<b>2,338,550</b>	<b>(106,995)</b>	<b>(58,253)</b>	<b>(165,248)</b>

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**SUBJECT: REVENUES AND BENEFITS – BASE BUDGET FORECAST  
2019/20**

**REPORT BY: CHIEF EXECUTIVE & TOWN CLERK**

**LEAD OFFICER: JACLYN GIBSON, CHIEF FINANCE OFFICER**

## **1. Purpose of Report**

- 1.1 To present to Members the Base Budget Forecast for the Revenues and Benefits shared service for 2019/20.

## **2. Executive Summary**

- 2.1 The Delegation and Joint Committee Agreement requires the Base Budget Forecast for the shared to be reported to Members. This report is designed to meet this requirement.
- 2.2 The Base Budget Forecast for 2019/20 is included as Appendix 1 to this report.
- 2.3 A full reconciliation to the previous Base Budget Forecast is included as Appendix 2 to this report.

## **3. Background**

- 3.1 The original Base Budget Forecast for the Revenues and Benefits shared service, was approved in 2011 and at that time delivered savings for both authorities in excess of £0.5 million per annum.
- 3.2 Despite inflationary cost pressures the Base Budget Forecast for 2019/20 of £2.367m is only £18,470 higher than the initial Base Budget set for 2012/13 demonstrating the one going efficiencies being delivered by the Shared Service.

## **4. Base Budget Forecast 2018/19**

- 4.1 The Base Budget Forecast for the shared service has been prepared and is included as appendix 1 to this report.
- 4.2 A full review of each line of the budget has taken place to ensure a fair representation of the activity of the service. This has led to budgets being transferred between different shared service functions. Although each Authority has a different percentage of each service, across the service as a whole this hasn't led to either Authority significantly paying more.
- 4.3 There has 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 have been offset by reviewing all staff budgets and hopefully being more accurate on the budgeting of career graded posts which in the past have been budgeted too prudently. A full reconciliation to the previous Base Budget Forecast is included as Appendix 2 to this report.

## 5. Organisational Impacts

- 5.1 The financial implications are contained throughout the report.
- 5.2 There are no legal implications arising from this report.
- 5.3 There are no equality and diversity implications as a direct result of this report.

## 6. Risk Implications

- 6.1 Full financial risk assessments are included within both partner authorities Medium Financial Strategies.

## 7. Recommendation

- 7.1 Members are recommended to approve the Base Budget Forecast for the Revenues and Benefits shared service for 2019/20.

**Key Decision** No

**Do the Exempt Information Categories Apply?** No

**Call in and Urgency:** Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply? No

**How many appendices does the report contain?** Two

**List of Background Papers:** None

**Lead Officer:** Martin Walmsley  
Telephone 01522 873597

## Appendix 1 Base Budget Forecast 2019/20

	2019/20		
	Shared Service £	NKDC £	CoLC £
<b>Management</b>			
Employees	290,020		
Supplies & Services	44,010		
<b>Sub Total</b>	<b>334,030</b>	<b>167,015</b>	<b>167,015</b>
<b>Revenues</b>			
Employees	704,960		
Transport	3,000		
Supplies & Services	182,220		
Recharge to WLDC	(76,000)		
Income	(12,000)		
CoLC only recovery	(86,940)		
<b>Sub Total</b>	<b>715,240</b>	<b>364,770</b>	<b>350,470</b>
<b>Benefits</b>			
Employees	1,025,460		
Transport	4,600		
Supplies & Services	59,800		
<b>Sub Total</b>	<b>1,089,860</b>	<b>457,740</b>	<b>632,120</b>
<b>Money Advice</b>			
Employees	214,490		
Transport	8,160		
Supplies & Services	5,220		
<b>Sub Total</b>	<b>227,870</b>	<b>113,940</b>	<b>113,930</b>
<b>TOTAL</b>	<b>2,367,000</b>	<b>1,103,466</b>	<b>1,263,534</b>

## Appendix 2 – reconciliation to previous Base Budget Forecast (18-23)

	2019/20		
	Shared Service	NKDC	CoLC
	£	£	£
Original budget - 2018 - 2023	<b>2,347,620</b>	<b>1,090,070</b>	<b>1,257,550</b>
Savings on Staffing (Including Career Grades)	(14,330)	(5,150)	(9,180)
Subscription Costs (Including Analyse Local)	20,000	9,300	10,700
Printing Costs	28,270	14,570	13,700
Telephone Expenses	(9,000)	(3,780)	(5,220)
Other Savings (Including Stationery & Subsistence)	(5,560)	(1,545)	(4,015)
<b>Revised budget – 2019 - 2024</b>	<b>2,367,000</b>	<b>1,103,466</b>	<b>1,263,534</b>