

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

**Apologies for Absence:** None.

**13. Confirmation of Minutes - 3 June 2019**

RESOLVED that the minutes of the meeting held on 3 June 2019 be confirmed.

**14. Declarations of Interest**

No declarations of interest were received.

**15. 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

Updates were noted on the following aspects of the Shared Service:

*Council Tax*

The table at paragraph 4.2 of the report showed the in-year collection period for the current financial year 2019/20 up to the end of July, compared to the same point in 2018/19, together with outturn for 2018/19.

As at the end of July 2019, Council Tax in-year collection was down by 0.31% and 0.40% for the City of Lincoln and North Kesteven, respectively. For the City of Lincoln the reduced collection rate equated to £140,247, however, the net collectible debit had increased by £2.9 million with the total net receipt having increased by £895,004. With regard to North Kesteven, the reduced collection rate equated to £263,673, however, the net collectible debit had increased by £4.8 million and total net receipt had increased by £1.6 million. There had also been an additional 569 properties added to the taxbase compared to April 2018.

Council Tax support caseload for both authorities was reducing, as outlined in the table at paragraph 4.3 of the report. The declining caseload partially explained the reasons for a drop in in-year collections and officers were currently working

on a proactive Council Tax support take-up campaign to ensure taxpayers were receiving what they were entitled to.

Committee were further updated that at the end of August 2019, Council Tax in-year collection was down by 0.01% and 0.49% for the City of Lincoln and North Kesteven, respectively.

### *Business Rates*

The table at paragraph 4.5 of the report showed the Business Rates in-year collection period for the current financial year 2019/20 up to the end of July, compared to the same point in 2018/19, together with whole year outturn figures for 2018/19.

As at the end of July 2019, Business Rates in-year collection was down by 1.98% for the City of Lincoln, however, collection was up by 0.15% and 0.58% for North Kesteven and West Lindsey respectively. For the City of Lincoln the reduced collection rate of 1.98% equated to £893,472 of the net collectable debit, with total net liability having decreased by £362,820 and total net receipt having decreased by £1,055,010. Officers were currently in the process of ascertaining the reasons for these reductions. With regard to North Kesteven the increased collection rate equated to £42,307 of the net collectable debit, with total net liability having increased by £562,585. For West Lindsey the increased collection rate of 0.58% equated to £103,707 of the net collectable debit, with total net liability having increased by £348,288 and total net receipt also increased by £251,938.

Committee were further updated that at the end of August 2019, Business Rates in-year collection was down in the region of 1.5% for the City of Lincoln, and North Kesteven respectively.

### *Outstanding Revenues Customers*

The table at paragraph 4.8 of the report showed how many items of revenues customers' correspondence was outstanding up to the end of July 2019, compared to the same point in 2018/19 and the final position at the end of 2018/19.

Although outstanding figures had increased by a total of 567 from the end of 2018/19, the position as at the end of July compared to that of the same point in the previous year was only 13 more for Lincoln and 50 more for North Kesteven. Further progress had been made regarding the introduction of e-forms which collected data sooner and in a more efficient manner, meaning that this large influx of work could be dealt with earlier in the financial year.

Committee were further updated that at the end of August 2019, figures were slightly up due to the holiday season and staff leave, however, both authorities were in a strong position moving forward.

### *Housing Benefit Overpayments*

The table at paragraph 4.11 of the report showed outstanding debt for the current financial year 2019/20 up to the end of June, compared to the 'baseline' point at which a specific overpayments project commenced in May 2018.

A separate item specifically on this matter was included as a later agenda item at this meeting.

### *Benefits Performance*

The table at paragraph 5.1 of the report showed the number of outstanding benefits customers awaiting assessment up to the end of July 2019, compared to the same point in 2018/19 and the final position at the end of 2018/19.

A dedicated plan to reduce outstanding work levels had been in place which had resulted in a significant reduction of outstanding work in quarter one, with the age of the oldest item of outstanding work generally being maintained at a level of around one week.

In terms of Housing Benefit average processing times, the table at paragraph 5.2 of the report showed figures for new claims and changes in circumstances. Performance for all measures was now looking positive moving forward. Processes had been, and continued to be, reviewed and it was envisaged that new claims performance could improve further as the financial year progressed.

Universal Credit continued to have an impact on processing times due to the number of Universal Credit related documents requiring processing, as well as officers awaiting Universal Credit related decisions before putting Housing Benefit into payment in some cases.

Prompt processing of claims remained vital, but of equal importance was accuracy of processing. The table at paragraph 5.3 of the report set out the outcome of claims checked under the quality checking regime implemented by the Shared Service. The level of performance was improving and being maintained which was particularly pleasing in light of the rollout of Universal Credit making some assessments more complex. There had continued to be a concentration on checking claims more likely to be assessed incorrectly first time. It was reported that even £0.01p was counted as financially incorrect and in addition to these targeted checks, more checks were also carried out as part of the rolling annual subsidy claim checking regime.

Committee were further updated that at the end of August 2019, the number of outstanding benefit customers awaiting assessment was down at 782 for the City of Lincoln and 272 for North Kesteven. The average number of days for processing new claims and changes of circumstances was also down at 25.16 days for City of Lincoln and 21.75 days for North Kesteven. In terms of accuracy, outcome of claims checked under our quality checking regime at the end of August was 93.72% for City of Lincoln and 96.91% for North Kesteven.

## **16. Revenues and Benefits - Financial Monitoring Quarter 1 2019/20**

### Purpose of Report

To present the Joint Committee with the first quarter's performance for the Revenues and Benefits Shared Service for 2019/20.

### **Decision**

That the report be noted.

## Alternative Options Considered and Rejected

None.

## Reason for Decision

The approved budget for 2019/20 was agreed by the Revenues and Benefits Joint Committee on 19 February 2019 where the Committee set a budget for 2019/20 of £2,367,000 for the service, which had since been increased after receipt of New Burdens Grants, totalling £80,981.

Financial performance for the first quarter of 2019/20 was set out in Appendix 1 to the report which identified an overspend against the approved budget of £15,687.

The forecast outturn for 2019/20 predicted that there would be an underspend against the approved budget of £95,379. A summary of the main forecast year-end variations against the approved budget for 2019/20 was noted as follows:

- IT costs – budget to be aligned to reflect the actual value during 2020/21 budget setting process;
- Salaries, including career grades – vacant hours together with career graded posts budgeted at top of scale even though not all officers are at the top of the grade. Additional agency staff costs assumed for April to May 2019 only;
- New Burdens Grants – new burdens funding, offset against specific IT costs incurred, but the cost of additional activities would be contained within the current staffing structure.

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

### Purpose of Report

To provide the Joint Committee with an update on the recovery of Housing Benefit overpayments.

### **Decision**

That the report, the extension of the current Housing Benefits Overpayment Recovery Team to 31 March 2020, and that future Housing Benefit Overpayment updates would be included within the overall performance report to this Committee be noted.

## Alternative Options Considered and Rejected

None.

## Reason for Decision

As reported at previous meetings of this Committee, the Housing Benefit Overpayment Recovery Action Plan had been used as a working document and provided the Housing Benefit Overpayment Recovery Team with a clear direction with regard to its workload and prioritisation. A number of key actions already undertaken were set out in paragraph 5.2 of the report. The Action Plan continued to be monitored by the Revenues and Benefits Manager and formed part of meetings with the Benefit Team Leader and the Housing Benefit

Overpayment Recovery Team. Recovery methods would be continually reviewed, along with the effectiveness of the work undertaken by the team, as part of these meetings.

The table at paragraph 6.2 of the report showed the improvements for the City of Lincoln and North Kesteven since the project commenced in June 2018, which equated to an overpayment reduction of £991,386, including write offs. £684,065 of this was attributable to the City of Lincoln and £307,321 was attributable to North Kesteven.

It was reported that whilst the value of overpayments outstanding was decreasing, staff were still creating overpayments which often occurred due to delays in changes in circumstances being processed caused either by customers, the Department for Work and Pensions or even the Shared Services itself.

In-year rates of recovery were positive, with the in-period collection rate for 2019/20 as at the end of July 2019 so far being 116.06% and 91.44% for the City of Lincoln and North Kesteven, respectively.

The Department for Work and Pensions' Performance Development Team had undertaken an on-site visit, which had been anticipated after twelve months in implementation, and had been very positive during the review having acknowledged a noticeable change in processes, results and culture. There were also a number of areas of recommended development and improvement, with Appendix 1 of the report outlining the findings of the visit and review.

It was reported that, due to the Housing Benefits Overpayment Recovery Team continuing to reduce the level of overpayments, the term for the team, which was originally 30 September 2019, would be extended to 31 March 2020.

## **18. Business Rates Update**

### Purpose of Report

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

### **Decision**

That the report be noted.

### Alternative Options Considered and Rejected

None.

### Reason for Decision

The following updates were noted:

#### *Supporting Small Business Relief Scheme*

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 did 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 April 2017. Further details relating to the support provided as part of this scheme were set out in paragraph 4.1 of the report.

The number of hereditaments that had been identified for 2018/19 and 2019/20 and had benefitted from the scheme as at 30 April 2019 for the City of Lincoln, North Kesteven and West Lindsey were set out in the tables at paragraph 4.1 of the report.

#### *Discretionary Relief Scheme*

The table at paragraph 4.2 of the report showed the number of accounts identified and the total cost of relief for the years 2017/18 to 2019/20 for comparison purposes. A review of the awards had taken place and any additional awards for 2018/19 would be made prior to the annual deadline of 30 September 2019. In addition, a review of awards for 2019/20 would take place in November 2019 and the initial banding scheme would be adjusted to allow for further relief to be awarded.

It was noted that this was a discretionary relief which the local authority was compensated for.

#### *Retail Discount*

One of the announcements affecting Business Rates as part of the Autumn Budget 2018 was regarding high streets. To provide upfront support through the business rates system, the Government was cutting bills by one third for retail properties with a rateable value below £51,000, benefitting up to 90% of retail properties for two years from April 2019, subject to aid status. Eligible criteria had been provided and local authorities would be reimbursed using a grant under Section 31 of the Local Government Act 2003.

Retail discount awarded for 2019/20 was set out in the table at paragraph 4.3 of the report.

It was noted that this was a discretionary relief which the local authority was compensated for.

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

Further to previous reports to this Committee on the Court of Appeal Decision regarding Automated Transaction Machines, it was noted that this continued to have implications for local authorities. Automated Transaction Machines were now included as an appeal threat and provision would need to be made for potential refunds. The potential impact for the City of Lincoln, North Kesteven and West Lindsey was noted as £498,739, £236,530 and £132,851 respectively.

#### *City of Lincoln Business Rates Growth Policy*

The City of Lincoln Council implemented its Business Rates Growth Policy from 1 April 2019 which aimed to a time-limited rate relief discount to new and extended business premises within the city in the interests of building the Business Rate base, supporting economic growth and job creation. A copy of the Policy was appended to the report.

Since the introduction of the Policy, four businesses had been awarded this relief totalling £55,123.

#### *North Kesteven Business Rates Growth Policy*

North Kesteven District Council implement its Business Rates Growth Policy in 2016. The rationale for offering businesses incentives to grow and locate in North Kesteven was derived from the 'Our Economy' priority published in the Council's Corporate Plan 2017-2020.

Since the introduction of the Policy, six businesses had been awarded this relief, totalling £411,230.

#### *Non-Domestic Rates Legislation Changes*

There had been a number of changes to Non-Domestic Rates legislation due to the introduction of new reliefs to be awarded to businesses. In addition to this, there were significant legislation changes which were to be in place from 1 April 2020 and beyond. These legislation changes had formed part of the one-to-one process with the Non-Domestic Rates Team Leader, ensuring the Shared Service was prepared and proactive in undertaking the required work to introduce the new legislation. This would include system changes, training of staff and communication to businesses.

It was noted that some of the legislation was still in the early stages of conception, with requirements for Ministry of Housing, Communities and Local Government to engage with billing authorities.

### **19. 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 national Universal Credit.

#### **Decision**

1. That an update on progress made by the Department for Work and Pensions (DWP) be reported at the next meeting of this Committee.
2. That the report be noted.

#### Alternative Options Considered and Rejected

None.

#### Reason for Decision

The following updates contained within the report released on 16 July 2019 were noted:

- 2,171,997 households were currently receiving Universal Credit, of which 697,789 were in employment;
- the Department for Work and Pensions had announced that it was development a Private Landlord Portal;

- recent changes as a result of the Autumn 2018 budget announcements, along with how these would impact customers and the respective local authority.

Committee were further updated that at the end of August 2019, 2.3m households were currently receiving Universal Credit of which 76,000 were in employment.

The report also set out progress to date on the Shared Service's 'high level' Welfare Reform Strategy Action Plan, which would continue to be monitored by the Joint Committee on a quarterly basis. Updates on progress were set out in Appendix 2 of the report, with the action plan being fluid and flexible to respond to changes in welfare reform related priorities, changes and demands.

## **20. Exclusion of the Press and Public**

RESOLVED that the press and public be excluded from the meeting during consideration of the following items of business because it is likely that if members of the public were present there would be a disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

## **21. Universal Credit Support Update**

### Purpose of Report

To provide the Joint Committee with an update regarding Universal Credit support, particularly in respect of arrangements for 2019/20.

### **Decision**

That the recommendations contained within the report together with the verbal update provided giving the most up to date position regarding Universal Credit support be noted.

### Alternative Options Considered and Rejected

None.

### Reason for Decision

A proactive and holistic approach to Universal Credit support had been in place within the Shared Service since full rollout at Lincoln Jobcentre Plus in March 2018 followed by full rollout at Sleaford Jobcentre Plus in November 2018.

A central government decision had resulted in a national contract for Citizens Advice to deliver Universal Credit support for the financial year 2019/20. The report set out current arrangements at the City of Lincoln and North Kesteven.

## **22. Revenues and Benefits Software System Procurement**

### Purpose of Report

To provide the Joint Committee with an update regarding the procurement of the Revenues and Benefits system software.

**Decision**

That the recommendations contained within the report be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

The report provided an update on the current procurement process for the Revenues and Benefits system software, including renewal dates and costings.