



SHARED REVENUES AND BENEFITS JOINT COMMITTEE

Friday, 6 September 2019

2.00 pm

**Committee Room 2, North
Kesteven District Council
Offices - North Kesteven
District Council Offices**

- Membership:** Councillors Ray Cucksey (North Kesteven District Council), Nikki Dillon (North Kesteven District Council), Rosanne Kirk and Ric Metcalfe (City of Lincoln Council)
- Substitute members:** Councillors Michael Kent (North Kesteven District Council), David Suiter (North Kesteven District Council) and Donald Nannestad (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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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.	
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You are asked to resolve that the press and public be excluded from the meeting during the consideration of the following items because it is likely that if members of the press or public were present, there would be disclosure to them of 'exempt information'.

In accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, notice is hereby given of items which will be considered in private, for which either 28 days' notice has been given or approval has been granted by the appropriate person specified in the Regulations. For further details please visit our website at <http://www.lincoln.gov.uk> or contact Democratic Services at City Hall, Beaumont Fee, Lincoln.

These items are being considered in private as they are likely to disclose exempt information, as defined in Schedule 12A of the Local Government Act 1972. No representations have been received in relation to the proposal to consider these items in private.

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Details of Next Meeting: Tuesday, 26 November 2019 (2.00 pm) in City Hall

Present: Councillor Ray Cucksey, Councillor Nikki Dillon,
Councillor Rosanne Kirk and Councillor
Donald Nannestad

Apologies for Absence: Councillor Ric Metcalfe

1. Election of Chair

It was proposed, seconded and RESOLVED that Councillor Ray Cucksey be elected Chair of the Shared Revenues and Benefits Joint Committee for the 2019/20 municipal year.

[Councillor Ray Cucksey in the Chair]

It was proposed, seconded and RESOLVED that Councillor Nikki Dillon be elected Vice-Chair of the Shared Revenues and Benefits Joint Committee for the 2019/20 municipal year.

2. Confirmation of Minutes - 19 February 2019

RESOLVED that the minutes of the meeting held on 19 February 2019 be confirmed.

3. Declarations of Interest

No declarations of interest were received.

4. Welfare Team Update

Purpose of Report

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

Decision

That the report be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

The Welfare Team offered two distinct but closely linked services, noted as benefits advice and money advice. The benefits advice service offered a help-desk facility during Council opening times and was effectively a duty officer who was available to answer customers' enquiries, book appointments and home visits, calculate individual entitlement to means-tested benefits and see drop-in customers if necessary. The money advice side of the service was operated under the administrative auspices of Community Money Advice and was regulated by the Financial Conduct Authority which required that there was a

clear and distinct separation between the line management of staff who were responsible for the collection of income. As a result of this requirement the Welfare Team reported to the Customer Services Manager at the City of Lincoln Council.

The report provided an overview of the 2018/19 financial year which highlighted that the team had dealt with 7,326 customers for benefit related queries. This was a marked increase of the previous 12 months when the total was 5,484.

In the year 2018/19 the team issued a total of 505 food vouchers for local community larders and food banks and, in line with the national trend, this was a big increase on the previous year's total of 306.

Additional benefits claimed by customers who had sought the advice and assistance of the Welfare Team were set out in paragraph 4.5 of the report and the total value of additional income paid over 52 weeks for both districts in the Shared Service equated to a weekly value of £3,302,533 compared to £2,988,383.84 in the previous financial year.

In addition to the weekly amounts of benefit awarded to individuals, in many cases customers had backdated awards or lump-sum payments, which were outlined in paragraph 4.7 of the report. This equated to £383,570.97 for 2018/19 compared to £393,742.98 in the previous year.

In terms of money advice casework, in 2018/19 the team received 263 referrals for money advice, compared to 272 in the previous year. This slight reduction may be explained by the budgeting supported offered to some clients as part of the Universal Credit Support Project Team. The total debt managed for 2018/19 equated to £979,815.72 for the City of Lincoln and North Kesteven. The previous year's total debt for both areas was £1,323,356.87. The Chair requested a further breakdown split between private tenants and council tenants for each local authority area. It was agreed that this information would be included in future reports to the Joint Committee.

The team worked on the basis of agile working, which provided flexibility and meant that a lot of work was done in customers' homes. Due to the urban character of Lincoln compared to the rural nature of North Kesteven, more home visits were undertaken in a day in Lincoln than they were in North Kesteven. It was reported that this was working very well. A question was raised as to whether pop-up sessions could be held in other areas across North Kesteven which people could then attend should they have difficulties visiting the office in Sleaford. It was reported that pop-up sessions had been held previously in areas such as Metheringham, but unfortunately people very rarely attended them. It was therefore agreed that the offer of home visits was a more effective way of providing support to those who required it.

A question was raised as to whether any support by way of accompaniment or representation was provided to customers should they be required to attend a hearing as a result of an appeal. It was reported that the team would provide assistance with the completion and submission of paperwork, however, it did not have the resources to be able to accompany or represent people at appeal hearings. This was something that Citizens Advice was sometimes able to offer, although it was acknowledged that Citizens Advice also had limited resources.

5. 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 as follows:

Council Tax

Positive Council Tax in-year collection had been achieved for 2018/19 with the City of Lincoln achieving 96.76% and North Kesteven achieving 99.08%. Although Council Tax in-year collection levels had reduced slightly for both authorities, the City of Lincoln by 0.41% and North Kesteven by 0.12%, these were still positive outturns considering factors such as the economic climate, cumulative impacts of national welfare reforms and Council Tax Support Schemes. In addition, it should be noted that the net collectable debit for both City of Lincoln and North Kesteven increased from 2017/18 by £2.57 million and £3.75 million respectively. Paragraph 4.3 of the report showed an overview of performance since the commencement of the Shared Service in 2011/12.

Business Rates

As with Council Tax, positive Business Rates in-year collection had been achieved for 2018/19 with the City of Lincoln achieving 99.81%, North Kesteven 99.42% and West Lindsey 98.63%. Paragraph 4.4 of the report showed an overview of performance since the commencement of the Shared Service in 2011/12.

It was noted that the total net collectable debit had also increased from 2017/18 by £646,000 for the City of Lincoln, £928,000 for North Kesteven and £757,000 for West Lindsey.

It was noted that the service had received a 32% increase in monthly emails, a 13% increase in monthly telephone calls and a 27% increase in the monthly submission of e-forms since the previous financial year and represented a significant increase for staff.

Outstanding Revenues Customers

The number of outstanding revenues customers at the end of quarter four 2018/19 showed an overall increase from the last two financial years, however, this was still a positive position. The workload was up to date going into new year billing, however, an influx of documents during the billing period from early-mid

March created the increased figure at the end of the financial year. Also, in the Council Tax base there were now an additional 1,051 properties to administer between the City of Lincoln and North Kesteven. Staffing resources on the Council Tax team being reduced at points throughout the year due to unforeseen circumstances had also been a key contributor. A table set out in paragraph 4.8 of the report set out performance for each year from 2012.

Although there had been a successful rollout of several e-forms in the revenues team, these had not yet resulted in a reduction of incoming work through other customer channels. Officers were carefully analysing demands across the shared service and resources required to maintain and improve performance.

Housing Benefit Overpayments

The table at paragraph 4.11 of the report showed in-period collection rates over the last seven financial years. The City of Lincoln achieved a rate of 100.38% in 2018/19 and North Kesteven achieved a rate of 107.45%.

Benefits Performance

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

The figure for the City of Lincoln was 897 in 2019 and the figure for North Kesteven was 502. Although the overall position was not quite as positive as at the end of the last two financial years, this was still a much improved position compared to other financial years. It was noted that the rollout of Universal Credit Full Service in Lincoln and Sleaford JobCentre Plus had placed significant increased processing demands on the benefits assessment team.

Information setting out housing benefit average processing times for new claims and changes in circumstances was set out at paragraph 5.2 of the report. Changes in circumstances performance remained positive, however, there had been slippage in new claims performance for both partner authorities. A number of factors associated with this slippage included:

- unforeseen reductions in staffing resources;
- delays in rent information being provided for a number of properties;
- the introduction of the 'e-benefits' self-serve application form;
- the clearing of older work which increased the overall average processing figures.

The latest statistics for the City of Lincoln up to April was 25.04 days, with North Kesteven achieving 25.28 days.

Universal Credit was having 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. Officers had a proactive action plan in place aiming to improve processing times in 2019/20, a copy of which was appended to the report.

The accuracy of claims was an important factor and the table set out at paragraph 5.3 of the report outlined the outcomes of claims checked under the quality checking regime. The figure for the City of Lincoln was 86% and was 96% for North Kesteven. It was noted that even if a claim was only 1p out, this would be recorded as being incorrect. Figures for April were reported as 94% for the City of Lincoln and 100% for North Kesteven. Further clarity was requested in future reports to make it clear how many accuracy checks had actually been undertaken.

Discussion ensued on the commitment of both authorities towards a channel shift from traditional methods of communication to more electronic forms of communication and submission of documentation. Councillor Nikki Dillon expressed concerns in that some residents were not confident or comfortable using the internet to submit forms and in some instances would not have access to a computer or facility to enable them to submit information in this manner. It was reported that the welfare support team would support residents in the completion of this information over the telephone, for example, and submit the necessary paperwork on behalf of the customer. Councillor Dillon requested that copies of the benefit application forms be sent to her, which the Head of the Shared Service agreed to do.

6. Financial Outturn 2018/19

Purpose of Report

To provide the Joint Committee with the financial outturn for the Revenues and Benefits Shared Service for 2018/19.

Decision

That the report be noted and the budget adjustments as set out in paragraph 3.2 of the report be approved.

Alternation 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, totalling £262,645, but had been subsequently revised to reflect further receipt of New Burdens Grants notified to each authority in quarter four as set out in paragraph 3.2 of the report, totalling £29,506.

The financial performance quarterly monitoring report for the third quarter predicted an underspend of £165,248 against the revised budget, after taking into account New Burdens Grants. The 2018/19 financial outturn for the Revenues and Benefits Shared Service resulted in an underspend of £214,405, a variance of 8.4% of the revised budget. The main year-end variations against the approved budget for 2018/19 were noted as follows:

- salaries, which encompassed vacant hours together with career graded posts budgeted at the top of scale when all officers were not at the top of the scale;
- New Burdens Grants;
- IT costs, the cost of upgrading the Northgate system;
- printing;
- agency staff, to cover vacant roles in the service;
- postage;
- subscriptions.

With regard to New Burdens Grant funding, it was reported that this was extremely difficult to budget for as it was usually received as a one-off payment part way through a financial year, with no sufficient notice of how much it was likely to be for or how many payments would be made throughout the year.

It was proposed that a significant proportion of the underspend be carried forward to 2019/20 as agreed at the previous meeting of the Joint Committee. Following consideration and agreement through each partner Council's end of year financial procedures, both partner authorities had agreed to carry-forward £45,000 each.

7. Housing Benefit Overpayments Update

Purpose of Report

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

Decision

That the report be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

As a result of the review undertaken by the Department for Work and Pensions' Performance Development Team, the team provided officers with a report detailing findings and recommendations as considered at the last meeting of this Committee. These findings formed the Housing Benefit Overpayment Recovery Action Plan which had been used during 2018/19 to ensure the team undertook recommended actions to improve recovery of these overpayments. The action plan had been used as a working document and provided the team with a clear direction for the work which had now become business as usual within the team. An update on the key actions was set out at paragraph 5.2 of the report.

As part of the formation of the housing benefit overpayment project, it was reported that the recovery methods available for all stages of debt had been 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.

A question was raised as to why there was a four month threshold. It was reported that the four month threshold was recommended by the Department for Work and Pensions, although a number of attempts would be made up to that point to make contact with the individual and amicably agree a way forward to arrange repayment.

The table at paragraph 6.2 of the report showed the improvements for 2018/19 in respect of both partner authorities since the project commenced in June 2018. Total overpayments outstanding had reduced by £676,968 since the project started. £463,353 of this was for the City of Lincoln and £213,615 was for North Kesteven.

It was reported that the housing benefit overpayment team would continue to review housing benefit overpayments and recovery during 2019/20.

8. Business Rates Update

Purpose of Report

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

Decision

That the report be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

The following updates were noted:

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 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 was set out in the report at paragraph 4.1.

Discretionary Relief Scheme

The table under paragraph 4.2 of the report showed the number of accounts identified and the total cost of relief for all three years for comparison purposes. Two amendments to the total award columns for the City of Lincoln and North Kesteven in 2018/19 were reported at the meeting as £95,864 and £90,816 respectively.

A review of the awards would take place in July and any additional awards would be made prior to the annual deadline of 30 September 2019. It was noted that this was a discretionary relief which the local authority was compensated for.

Retail Discount

Eligibility criteria had been provided to local authorities in response to the inclusion of a discount for retail properties in the 2018 autumn budget, in recognition that high streets and town centres were crucial parts of communities and local economies. Local authorities would be reimbursed using a grant under Section 31 of the Local Government Act 2003 for this purpose.

Retail discount awarded for 2019/20 for each of the three authorities was set out in paragraph 4.3 of the report. It was agreed that the latest figures relating to retail relief would be circulated to members in due course.

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

Based on the unaudited NNDR3's submitted by each of the Lincolnshire pilot authorities, the additional resources generated between being the previous pool arrangement and being in a pilot was outlined in the table at paragraph 5.2 of the report and equated to £30,274,000.

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. Following consideration by Chief Executives and Section 151 Officers, a bid for 2019/20 pilot status, based on the existing pilot authorities, was submitted in September 2018. As part of the bid submission a request was made to form a Lincolnshire business rate pool should the 100% business rate bid not be approved. Unfortunately the bid was not successful and therefore the Lincolnshire pool had been re-established from 1 April 2019.

Recent Court of Appeal Decision – Automated Transaction Machines

Details relating to a Court of Appeal decision regarding business rates associated with automated transaction machines at supermarkets was set out within the report. 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 that the Supreme Court may take up until June 2019 to decide whether to hear the case, adding a further 18 months to two years before a further decision was likely to be made.

This continued to have implications for local authorities as automated transaction machines were now included as an appeal threat and provision would need to be made for potential refunds. In answer to a question, it was acknowledged that it would be the responsibility of local authorities to meet the cost of any potential refunds. A table showing the potential financial impact would be provided at the next meeting of this Committee.

Discussion ensued on the subject of growth relief and it was agreed that future reports would include updates on growth relief for the City of Lincoln and North Kesteven.

9. Universal Credit Support Update

Purpose of Report

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

Decision

That the report be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

As part of a central government decision for Citizens Advice to deliver Universal Credit support for the financial year 2019/20, Citizens Advice was contracted to deliver a new regime of Universal Credit support arrangements from 1 April 2019 known as 'Help to Claim'. These arrangements were to support Universal Credit customers with a focus on digital assistance up to and including first payment of Universal Credit only. Therefore, the contracted arrangement did not cover the wide range of activities delivered by the Shared Service's Universal Credit Support Team as outlined in paragraph 3.3 of the report.

Mid-Lincolnshire Citizens Advice, which included a Sleaford based office, progressed Help to Claim arrangements to be in place from 1 April 2019. In addition to this a Sleaford based Universal Credit support function from the Shared Service for 2019/20 would be retained with a review to take place in advance of 2020/21 with the potential to extend for a subsequent year. This effectively continued the Universal Credit support function already provided at North Kesteven offices in Sleaford, co-located with Jobcentre Plus. However, key links and communication with Citizens Advice was crucial to ensure effective referrals with the initial Help to Claim being delivered from Citizens Advice in Sleaford.

Arrangements had been put in place for the Universal Credit Support Team based in Lincoln to continue support arrangements for the period 1 April 2019 to 30 June 2019 to allow Lincoln and District Citizens Advice to recruit and have supported training, with the aim of achieving a successful revised arrangement from 1 July 2019. There remained key risks around matters such as rent arrears, council tax support, discretionary housing payment and rent issues. Problems could also arise in circumstances where customers who continued to require assistance following their first payment of Universal Credit which would not be covered under the new Help to Claim arrangements.

Officers were currently working through a number of options regarding potential Lincoln based internal Universal Credit support arrangements, to be considered in advance of 1 July 2019. It was highlighted that North Kesteven residents would be affected by any decision made, such as those who lived in postcodes coming under Lincoln Jobcentre Plus in City Hall. In discussing this matter members requested a list of the postcodes that would be impacted by this decision and it was agreed that these would be circulated in due course.

The Head of the Revenues and Benefits Shared Service verbally updated that it had now been agreed for the Lincoln based Universal Credit support team to continue up to 30 September 2019, with a review to be undertaken in advance of that date.

Members reflected on the very successful and award winning team that had been put in place as part of the Shared Service to deliver Universal Credit Support and reiterated their disappointment that the government had introduced a new regime without any form of consultation having taken place. It was reported that communication between partners during the transitional arrangements had been excellent and that the focus had been and would always be on the wellbeing of the customer.

A question was asked as to whether officers were confident that Citizens Advice had the systems in place to be able to deliver what was necessary before October. The Head of the Shared Service, in response, reminded the Committee that the contractual arrangement was ultimately between the Department for Work and Pensions and Citizens Advice although the Shared Service would continue to work with both partners given the vested interest both local authorities had in ensuring that appropriate levels of support were in place.

10. Welfare Reform 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 updates.

Decision

That the report be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

The following updates as contained within the report were noted:

- national progress – 1,959,129 households were currently receiving Universal Credit and 33% of these were in employment;
- private landlord portal – the Department for Work and Pensions had announced that they were developing a private landlord portal;
- recent changes to Universal Credit following the Autumn 2018 Budget announcement and January 2019 announcement – Appendix 1 attached to the report outlined all key changes and how these would impact customers and the respective local authority.

The report also provided information on mixed age couples following a change implemented from 15 May 2019. From that date, mixed age couples where one party was over pension credit qualifying age and the other being under that age would no longer be able to choose whether they claimed Universal Credit, pension credit or pension age housing benefit. Instead, both parties of a couple would have to reach the pension credit qualifying age before they could be

entitled to pension credit or pension age housing benefit. There were, however, a range of protections associated with this, as set out in paragraph 6.2 of the report.

Couples who were under state pension age and had an award of housing benefit assessed under the Housing Benefit Regulations 2006 would become a mixed age couple once one member reached pension age. At this point, rather than re-assessing the claim the couple would be advised that they need to claim Universal Credit.

Progress with the Shared Service's high level Welfare Strategy Action Plan would be monitored by the Joint Committee on a quarterly basis and was appended to the report for consideration. Updates on progress of the plan were also appended to the report and reflected a fluid and flexible response to changes in welfare reform related priorities, changes and demands.

11. 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.

12. Staffing Update

Purpose of Report

To provide the Joint Committee with recommendations regarding potential staffing changes within the Revenues and Benefits Shared Service.

Decision

That the staffing proposals set out in section 4 of the report be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

The reason for this decision was set out in the report.

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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 annual outturn Revenues and Benefits performance information – for the financial year 2019/20, up to the end of July 2019.
- 2.2 The Revenues and Benefits Shared Service has now been in operation since 1st 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 3rd June 2019 meeting of this committee, a report was presented detailing Revenues and Benefits performance for the financial year 2018/19.
- 3.2 Performance is reported to this committee on a quarterly basis.

4. Revenues Performance

4.1 Council Tax

- 4.2 The table below shows Council Tax 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. The table also shows the whole year outturn for 2018/19.

Financial Year	2019/20 (to end Jul 2019)	2018/19 (to end Jul 2018)	2018/19 (year outturn)
City of Lincoln	35.32%	35.63%	96.76%
North Kesteven	38.94%	39.34%	99.08%

- 4.3 As at the end of July 2019, Council Tax in-year collection is down by 0.31% and 0.40% for City of North Kesteven, respectively.

In respect of City of Lincoln, the reduced collection rate of 0.31% equates to £140,247, - however the net collectable debit has increased by £2.9m. Total net receipt has increased by £895,004.

For North Kesteven, the reduced collection rate of 0.40% equates to £263,673, - however the net collectable debit has increased by £4.8m and total net receipt has increased by £1.6m. There has been an additional 569 properties added to the taxbase compared to April 2018.

Council Tax Support caseload for both authorities is reducing, as shown in the table below:

	City of Lincoln	North Kesteven
June 2019	8,523	5,570
May 2019	8,559	5,559
April 2019	8,598	5,580
December 2018	8,669	5,725
September 2018	8,698	5,744
June 2018	8,784	5,805

Council Tax Support expenditure has increased between June 2018 and June 2019, but not commensurate to the significant increases in net collectable debit.

- June 2019: City of Lincoln £7,786,374 / North Kesteven £5,330,875
- June 2018: City of Lincoln £7,707,817 / North Kesteven £5,266,903.

This declining caseload will partly explain the reasons for a drop in in-year collection. Officers are currently working on a proactive Council Tax Support take-up campaign – to ensure taxpayers are receiving what they are entitled to.

4.4 Business Rates

- 4.5 The table below shows 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. The table also shows the whole year outturn for 2018/19.

Financial Year	2019/20 (to end Jul 2019)	2018/19 (to end Jul 2018)	2018/19 (year outturn)
City of Lincoln	42.53%	44.51%	99.81%
North Kesteven	48.66%	48.51%	99.42%
West Lindsey	42.83%	42.25%	98.63%

- 4.6 As at the end of July 2019, Business Rates in-year collection is down by 1.98% for City of Lincoln, - however, collection is up by 0.15% and 0.58% for North Kesteven and West Lindsey, respectively.

In respect of City of Lincoln, the reduced collection rate of 1.98% equates to £893,472 of the net collectable debit. Total net liability has decreased by £362,820 and total net receipt has decreased by £1,055,010. Officers are currently ascertaining the reasons for these reductions, and a verbal update will be provided to this Committee on 6th September 2019.

For North Kesteven, the increased collection rate of 0.15% equates to £42,307 of the net collectable debit. Total net liability has increased by £562,585.

For West Lindsey, the increased collection rate of 0.58% equates to £103,707 of the net collectable debit. Total net liability has increased by £348,288, total net receipt also increasing (by £251,938).

4.7 **Outstanding Revenues Customers**

- 4.8 The table below shows how many items of Revenues Customers' correspondence is outstanding up to the end of July 2019, compared to the same point in 2018/19. The table also shows the position at the end of 2018/19.

Financial Year	2019/20 (to end Jul 2019)	2018/19 (to end Jul 2018)	2018/19 (year outturn)
City of Lincoln	779	766	437
North Kesteven	426	376	201

- 4.9 Although outstanding numbers have increased by a total of 567 from the end of 2018/19, the position at the end of July compared to that same point in the year prior – is only 13 more for Lincoln, and only 50 more for North Kesteven. In reality, the team is in a much better position than in previous years due to work which has, and still is, taking place earlier in the financial year – for example, registration of students for Council Tax with appropriate discounts and exemptions. This is largely due to one of the e-forms developed which collects data sooner and in a more efficient manner, meaning this large influx of work can be dealt with earlier in the financial year.

4.10 Housing Benefit Overpayments

- 4.11 The table below shows 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.

Financial Year		June 2019	May 2018
City of Lincoln	Outstanding debt	£3,690,645	£4,113,397
North Kesteven	Outstanding debt	£1,517,083	£1,700,825

- 4.12 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, up to the end of July 2019, compared to the same point in 2018/19. The table also shows the position at the end of 2018/19.

Financial Year	2019/20 (to end Jul 2019)	2018/19 (to end Jul 2018)	2018/19 (year outturn)
City of Lincoln	589	1,444	897
North Kesteven	306	432	502

A dedicated plan to reduce outstanding work levels has been in place, which has resulted in a significant reduction of outstanding work in Quarter 1. The age of the oldest item of outstanding work is generally being maintained at a level of around one week. It is vital this improved position is maintained moving forward.

5.2 In terms of Housing Benefit average processing times, the table below shows figures for New Claims and Changes of Circumstance:

Financial Year		2019/20 (to end July 2019) Average no. days	2018/19 (to end July 2018) Average no. days	2018/19 (year outturn) Average no. days
New Claims	Lincoln	26.35	29.32	25.82
	North Kesteven	23.88	23.91	27.49
Changes of Circumstance	Lincoln	5.09	6.53	4.12
	North Kesteven	5.09	4.08	2.98

Performance for all measures is now looking positive moving forward. Processes have been (and continue to be) reviewed and it is envisaged New Claims performance can improve further as the financial year progresses.

Universal Credit (UC) continues to have an impact on processing times due to the number of UC-related documents requiring processing, as well as officers awaiting UC-related decisions (for example, in respect of supported accommodation) before putting Housing Benefit into payment in some cases.

5.3 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	2019/20 (to end Jul 2019)	2018/19 (to end Jul 2018)	2018/19 (year outturn)
City of Lincoln	94.07% <i>(127 out of 135 checked)</i>	89.58% <i>(43 out of 48 checked)</i>	86.07% <i>(210 out of 244 checked)</i>
North Kesteven	95.35% <i>(41 out of 43 checked)</i>	95.65% <i>(132 out of 138 checked)</i>	95.92% <i>(306 out of 319 checked)</i>

The level of performance is improving and being maintained, which is particularly pleasing in light of the rollout of Universal Credit making some assessments more complex. There has continued to be concentration on checking claims more likely to be assessed incorrectly first time, - it should also be noted that even '£0.01p' is counted as financially incorrect.

In addition to these targeted checks, more checks are also carried out as part of the rolling annual subsidy claim checking regime.

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 26th November 2019.

Is this a key decision?

No

Do the exempt information categories apply?

No

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

No

How many appendices does the report contain?

Appendix 1: Performance Data to end July 2019

List of Background Papers:

None

Lead Officer:

Martin Walmsley, Head of Shared Revenues and Benefits
Telephone (01522) 873597

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**6th September 2019 Revenues and Benefits Joint Committee
Performance Update
Appendix 1: Performance Data to end July 2019**

Measure	2019/2020 – To end July 2019		2018/19 – To end July 2018		2018/19 Annual Outturn	
	NK	COL	NK	COL	NK	COL
Local Authority						
Council Tax collection (cumulative)	38.94%	35.32%	39.34%	35.63%	99.08%	96.76%
NNDR collection (cumulative)	48.66%	42.53%	48.51%	44.51%	99.42%	99.81%
NNDR collection – WLDC (cumulative)	42.83%		42.25%		98.63%	
No. Revenues customers awaiting change to be processed	426	779	376	766	201	437
Total Net Arrears for Council Tax prior years (i.e. not including current year)	£1,445,647	£3,433,021	£1,293,929	£2,937,657	£934,830	£2,252,680
Total Net Arrears for NNDR prior years (i.e. not including current year)	£223,515	£695,620	£190,545	£458,654	£178,580	£169,367
Housing Benefit overpayments collection in period	91.44%	116.06%	125.83%	109.55%	107.45%	100.38%
Housing Benefit New Claims: Average number of days to process (cumulative)	23.88 days	26.35 days	23.91 days	29.32 days	27.49 days	25.82 days
Housing Benefits Changes of Circumstances: Average number of days to process (cumulative)	5.09 days	5.09 days	4.08 days	6.53 days	2.98 days	4.12 days
No. Benefits customers awaiting assessment (cumulative)	306	589	432	1,444	502	897
% Benefits claims checked financially correct (cumulative)	95.35%	94.07%	95.65%	89.58%	95.92%	86.07%

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**SUBJECT: REVENUES AND BENEFITS - FINANCIAL MONITORING
QUARTER 1 2019/20**

REPORT BY: CHIEF EXECUTIVE & TOWN CLERK

**LEAD OFFICER: MARTIN WALMSLEY, HEAD OF SHARED REVENUES AND
BENEFITS**

1. Purpose of Report

- 1.1 To present to Members the first quarter's performance for the Revenues and Benefits shared service for 2019/20.

2. Executive Summary

- 2.1 The forecast outturn for 2019/20 predicts that there will be an underspend against the approved budget of £95,379.

3. Background

- 3.1 The approved budget for 2019/20 was agreed by Revenues and Benefits Joint Committee on 19th February 2019. The Committee set a budget for 2019/20 of £2,367,000 for the service, which has since been increased after receipt of New Burdens Grants, totalling £80,981.
- 3.2 The budget, as mentioned in paragraph 3.1, has subsequently been further revised for the following New Burdens Grants notified to each Authority in quarter one: -

Budget adjustment	CoLC	NK	Total
	£	£	£
Verify Earnings & Pensions Alert Services	23,139	20,240	43,379
Business Rates Retail Discount Scheme	9,225	9,225	18,450
LA Data Sharing Programme: IT Costs	9,576	9,576	19,152
TOTAL	£41,940	£39,041	£80,981

4. Quarter One Financial Performance and Forecast Outturn 2019/20

4.1 Performance Quarter 1

Financial performance for the first quarter of 2019/20 is detailed in Appendix 1 to this report. At quarter 1, there is an overspend against the approved budget of £15,687.

- 4.2 Forecast Outturn 2019/20
The forecast outturn for 2019/20 predicts that there will be an underspend against the approved budget of £95,379. 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 2019/20 is shown below.

<u>Service Area</u>	<u>£</u>	<u>Reason for variance</u>
Revenues and Benefits Management		
IT Costs	13,000	Northgate System costs – budget to be realigned to reflect the actual value during 2020/21 budget setting process.
Benefits		
Salaries (Including Career Grades)	(58,900)	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 April - May 2019 only.
New Burdens Grants	(18,380)	New Burdens Funding, offset against specific IT costs incurred, but cost of additional activities contained within current staffing structure.
Benefits/Money Advice		
Salaries	(14,100)	Vacant staff hours.

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. Recommendations

- 7.1 Members are recommended to note the actual position at quarter 1.
- 7.2 Members are recommended to approve the budget adjustments for 2019/20 as per para 3.2.

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 1 2019/20

	Profiled Budget			Actual			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits									
Management	51,350	51,350	102,700	66,439	66,439	132,877	15,089	15,089	30,177
Benefits	182,710	133,280	315,985	146,754	106,270	253,025	(35,956)	(27,010)	(62,965)
Revenues Local Taxation	92,480	96,150	188,630	118,338	123,168	241,505	25,858	27,018	52,875
Money Advice	28,480	28,480	56,968	26,280	26,280	52,560	(2,200)	(2,200)	(4,400)
Total Q1 2019/20	355,020	309,260	664,283	357,810	322,157	679,967	2,790	12,897	15,687

Appendix 2 Forecast Financial Outturn for 2019/20

	Annual Budget			Forecast Outturn			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits									
Management	176,591	176,591	353,182	182,888	182,888	365,776	6,297	6,297	12,594
Benefits	655,259	477,980	1,133,239	600,270	437,868	1,038,138	(54,989)	(40,112)	(95,101)
Revenues Local Taxation	359,695	373,995	733,690	360,868	375,215	736,083	1,173	1,220	2,393
Money Advice	113,935	113,935	227,870	106,303	106,303	212,605	(7,632)	(7,632)	(15,265)
Total 2019/20	1,305,480	1,142,501	2,447,981	1,250,329	1,102,273	2,352,602	(55,151)	(40,227)	(95,379)

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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 & Customs (HMRC) in one of the benefit or incomes used in the assessment of HB 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 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 referenced this), the PDT provided officers with a report detailing the findings and recommendations, which was provided at the last meeting of this committee. These findings formed the HB Overpayment Recovery Action Plan which has been used during 2018/19 to ensure the team undertake recommended actions to improve recovery of these overpayments.

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 This action plan has been used as a working document and has provided the HB Overpayment team with a clear direction for the work which has now become 'business as usual' within the team.

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

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 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 £991,386, including write offs (£684,065 for City of Lincoln and £307,321 for North Kesteven): -**

		Lincoln		Difference
		Baseline (May 2018)	30 June (2019)	
*Clawback	Number	1,664	579	(1,085)
	Value (£)	£1,063,395	£500,925	(£562,470)
Less than 4 months old	Number	252	291	39
	Value (£)	£213,174	£260,190	£47,016
Over 4 months old	Number	3,476	3,530	54
	Value (£)	£2,836,829	£2,959,530	£122,701
Written off	Value (£)		£261,313	(£261,313)
Total outstanding	Value (£)	£4,113,397	£3,690,645	(£422,752)

		North Kesteven		Difference
		Baseline (May 2018)	30 June (2019)	
*Clawback	Number	748	394	(354)
	Value (£)	£410,064	£260,941	(£149,123)
Less than 4 months old	Number	101	117	16
	Value (£)	£61,410	£130,280	£68,870
Over 4 months old	Number	1,453	1,462	9
	Value (£)	£1,229,351	£1,125,862	£103,489
Written off	Value (£)		£123,579	(£123,579)
Total outstanding	Value (£)	£1,700,825	£1,517,083	(£183,742)

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

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.

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

7. Next steps for 2019/20

- 7.1 It was agreed that the DWP PDT team would undertake a telephone review after the first 6 months and an onsite visit after 12 months of implementation.
- 7.2 On 11th July 2019, the DWP undertook the on-site visit and spoke to a number of the team members involved in the HBOP recovery work. The DWP have recognised in year debt recovery had risen. As at the point of this visit, latest 2019/20 in year recovery stood at 92.78% (City of Lincoln) and 84.03% (North Kesteven). The 2016/17 data available at the time of the start of the review showed in year recovery at 56.53% (City of Lincoln) and 61.74% (North Kesteven).
- 7.3 The PDT were very positive during the review and acknowledge a noticeable change in processes, results and culture.

There were a number of areas of development and improvement which the DWP have recognised, both in terms of work output (reduction in outstanding overpayment value, improved collection) and staff improvements (morale, closer working between the teams and a well organised team who receive direction in what they needed to achieve). Further details are shown in **Appendix 1** to this report.

- 7.4 In addition, the PDT have recognised further areas for development as the team continue with this work. These are shown in **Appendix 1** to this report. The areas for further development are as follows: -

1. The PDT have undertaken a review of the Payment Deduction process, it would be beneficial for the Councils to undertake some housekeeping on the referrals that they have sent to this service and implement a review of the referrals to eliminate any missed opportunity, along with reviewing any good practice guides that are distributed on the outcome of the PDP review.
2. The team continue non-standard recovery rates automatically reverting to standard rates after the agreed period. Evidence was seen where the review date had been extended/left at the discretion of staff although improvement has been made in this area, to capture through the monthly 'non-standard rate' report. Consider further work to analyse the outcomes of this report to establish the increase of recovery generated
3. Potential for more staff development in the ability to 'challenge' an offer of payment. Non benefit customers should be at least paying standard rates

These areas have been taken up by the team leader who is managing the Housing Benefit Overpayments (HBOP) Team and is included within the monthly 1-1 with the Shared Service Manager.

- 7.5 The HBOP team are currently in post to 30th September 2019. The team continue to reduce the level of HBOP outstanding, and as a result, officers are extending the team to 31st March 2020.

8. Strategic Priorities

- 8.1 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".

- 8.2 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.

9. Organisational Impacts

- 9.1 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.
- 9.2 Legal Implications including Procurement Rules: There are no direct Legal or Procurement implications arising from this report.

10. Risk Implications

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

11. Recommendation

11.1 Members are asked to: -

1. Note that the current Housing Benefit Overpayments Team is being extended to 31st March 2020; and
2. Note this report, also that future Housing Benefit Overpayment updates will be included within the overall performance report within this Committee's Agenda.

Is this a key decision?	No
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	One
List of Background Papers:	None

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

City of Lincoln Council & North Kesteven District Council

12-month Debt Health Check Review findings report

Thursday 11th July 2019

In April 2018, following a request from City of Lincoln Council (COL) and North Kesteven District Council (NKDC) the Housing Delivery Division (HDD) Performance Development Team (PDT) conducted an end to end review of COL and NKDCs Housing Benefit (HB) overpayment and debt recovery process.

It was agreed that following the support in April 2018, PDT would hold a 6-month check-in by telephone to discuss progress, which was held in October 2018 and a 12 month visit to review the work undertaken over the year conducted.

It was clear from discussion within the meeting that in year debt recovery had risen. To date 2019/20 in year recovery stands at 92.78% (COL) and 84.03% (NKDC). The 2016/17 data available at the time of the start of the review showed in year recovery at 56.53% (COL) and 61.74% (NKDC)

On the recommendations we delivered in 2018, the council developed an action plan and it was identified that there has been focus across many of these.

The following areas show development and improvement in the debt recovery process:

- the write off procedure, in particular working on old debts that have been impacted by transformation. To date 2018/19 £240,000 (COL) and £137,000 (NKDC) have been written off with a process in place to consider bringing the debt back if appropriate.
- the process to invoice debt immediately has been tightened
- the pended scheduled recovery has been reduced from 1664 items to 748 (COL) and 548 items to 375 (NKDC)
- the Debt Tracing service is now being fully used and the council suggest some excellent results coming from this service.
- a better understanding of the payment deduction programme (PDP) process is now within the council
- notifications have been improved and a proactive approach is taken to follow up reminders within the time frame started on the notifications
- review of claims undertaken
- diary dating is done on the shared drive rather than officer outlook diary, eliminating missed opportunities of recovery
- reports now generated for non-standard rate recoveries
- extra telephone line used to dedicate to old debt
- greater use and understanding across the team within management information(MI) and the variety of reports to be able to manage debt recovery
- staff are aware of what is expected and what role they play within the debt space whether it be the creation of debt or the recovery.

Appendix 1 – 6th September 2019 – Revenues and Benefits Joint Committee –
Housing Benefit Overpayments Update

- weekly quality checks on accuracy have increased with a focus on 'right first time' seeing quality check figures increase from an average 65% to 90% and new starter staff have had 100% checks carried out
- closer working between teams has had an impact on both workload and culture. The atmosphere within COL office was noticeably positive and gave the impression of a well organised team that had direction in what they needed to achieve.

Thoughts for further development:

- due to a review that PDT have undertaken on the PDP process, it would be beneficial for the council to undertake some housekeeping on the referrals that they have sent to this service and implement a review of the referrals to eliminate any missed opportunity, along with reviewing any good practice guides that are distributed on the outcome of the PDP review.
- continue non-standard recovery rates automatically reverting to standard rates after the agreed period. Evidence was seen where the review date had been extended/left at the discretion of staff although improvement has been made in this area, to capture through the monthly 'non-standard rate' report. Consider further work to analyse the outcomes of this report to establish the increase of recovery generated
- possibly more staff development in the ability to 'challenge' an offer of payment. Non benefit customers should be at least paying standard rates

In summary a noticeable change in process, results and culture was established by the visit and the team should be recognised for the valuable work that has been done over the last year.

We would like to thank all staff for being so welcoming to us both face to face and via other communication channels, we have really enjoyed working with you. Should you require any further support going forward PDT are only too happy to discuss requirements and offer our consultancy services.

SUBJECT: BUSINESS RATES UPDATE

DIRECTORATE: CHIEF EXECUTIVE

REPORT AUTHOR: CLAIRE MOSES, REVENUES AND BENEFITS MANAGER

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 Autumn Budget in October 2018, which have impacted on funding for reliefs during 2019/20 to 2020/21. The latest position on these previous reliefs are covered in this report.

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

- Autumn Budget 2018 budget 2019; and
- City of Lincoln Business Rates Growth Policy awards.

4. Spring Budget 2017

There were a number of reliefs announced in the Spring Budget 2017 which are still ongoing, and provide challenges for officers to ensure relevant businesses are in receipt of all reliefs available to them.

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 2019/20 and have benefitted from the scheme as at 30 April 2019 for each of the three authorities, is as follows:-

Loss of small business relief – 2018/19

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

Loss of small business relief – 2019/20

Authority	No. identified	No responded	Total award
City of Lincoln	8	4	£6,758
North Kesteven	23	15	£24,092
West Lindsey	26	13	£24,487

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. This is a mandatory relief for which the local authority is compensated for.

Officers have noted that although the number of businesses awarded relief has reduced, the total award has increased. This is due to the increase in rateable value for 2019/20 – as a result of the annual uprating and reduction of transitional relief in year.

4.2 **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

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 DC: £37,000
- West Lindsey DC: £31,000

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 2019/20 to be delegated to Chief Finance Officers for a final decision.

During April 2019, Officers have identified 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.

Relief has been awarded to all accounts identified and ratepayers have been issued with a decision notice and letter of explanation.

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

New Discretionary Relief Scheme – 2017/18 to 2019/20 comparison:

The table below shows the number of accounts identified and the total cost of relief for all 3 years for comparison purposes.

Authority – City of Lincoln	No. identified	Total awards made	Budget	Total award (£)	Current not spent (£)
2017/18	675	413	£198,000	£196,125	£1,875
2018/19	366	359	£96,000	£95,864	£136
2019/20	359	311	£40,000	£37,436	£2,564

Authority – North Kesteven	No. identified	Total awards made	Budget	Total award (£)	Current not spent (£)
2017/18	540	339	£186,000	£184,430	£1,570
2018/19	278	262	£91,000	£90,816	£184
2019/20	262	87	£37,000	£26,867	£10,133

Authority – West Lindsey	No. identified	Total awards made	Budget	Total award (£)	Current not spent (£)
2017/18	329	217	£158,000	£102,084	£55,916
2018/19	197	176	£76,000	£75,551	£449
2019/20	176	159	£31,000	£24,916	£6,084

A review of the awards for 2018/19 will take place in August 2019, and any additional awards for 2018/19 will be made prior to the annual deadline of 30 September 2019.

A review of the awards for 2019/20 will take place in November 2019. The initial banding scheme will be adjusted to allow for further relief to be awarded. The adjusted scheme will be issued to Chief Finance Officers for delegated authorisation. The relief will be awarded onto accounts before new bills are issued for 2020/21.

This is a discretionary relief for which the local authority is compensated for.

4.3 Retail Discount – Autumn budget 2018

The Autumn Budget 2018 was announced on 29th October 2018. One of those announcements affecting Business Rates was regarding high streets.

It was recognised that 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.

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.

Retail discount has been awarded for 2019/20 as follows: -

Retail relief – 2019/20

Authority	No. identified	No responded	Total award
City of Lincoln	703	337	£872,939
North Kesteven	240	120	£274,412
West Lindsey	212	75	£188,836

This is a discretionary relief for which the local authority is compensated for.

5. Recent Court of Appeal Decision – ATM's

- 5.1 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.
- 5.2 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.
- 5.3 The Valuation Office Agency was refused leave to appeal, though they could petition the Supreme Court to hear the case.
- 5.4 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.

- 5.5 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.

City of Lincoln

Business	Potential RV Loss
1	£35,934
2	£5,0723
3	£13,404
4	£21,502
5	£35,933
6	£2,535
7	£37,530
8	£1,875
9	£2,765
10	£26,510
11	£18,845
12	£618
13	£2,875
14	£4,304
15	£4,152
16	£1,692
17	£1,757
18	£11,978
19	£25,343
19	£14,064
20	£7,230
21	£11,978
22	£22,180
23	£37,530
24	£22,475
25	£2,875
26	£45,394
27	£45,394
28	£34,994
Total	£498,739

North Kesteven

Business	Potential RV Loss
1	£35,933
2	£37,530
3	£18,845
4	£17,212
5	£2,528
6	£15,425
7	£4,201
8	£11,978
9	£18,845
10	£3,615
11	£5,659
12	£5,659
13	£7,049
14	£26,259
15	£11,977
16	£13,815
Total	£236,530

West Lindsey

Business	Potential RV Loss
1	£4,152
2	£1,402
3	£2,415
4	£9,476
5	£52,701
6	£5,489
7	£11,976
8	£37,530
9	£7,710
Total	£132,851

6. City of Lincoln Business Rates Growth Policy – awards

- 6.1 City of Lincoln implemented their Business Rates Growth policy from 1 April 2019. A copy of the policy is shown in **Appendix 1**.
- 6.2 The policy aims to a time-limited rate relief discount to new and extended business premises within the City, in the interest of building the Business Rates base, supporting economic growth and job creation. This policy supports the Council's open and partnership focussed approach to delivering growth as set out in the Vision 2020 Strategic Plan, particularly the objectives and ambitions relating to economic growth and reducing inequality.

6.3 Eligibility for this scheme will be dependent on the extent of the business premises creation or extension, location and the impact of the new business or expansion plans has on the local economy.

6.4 Since the introduction of the policy, 4 businesses have been awarded this relief, totalling £55,123.

7. North Kesteven Business Rates Growth Policy – awards

7.1 North Kesteven implemented their Business Rates Growth in 2016. A copy of the policy is shown in **Appendix 2**.

7.2 The rationale for offering businesses incentives to grow and locate in North Kesteven is derived from the **Our Economy** priority published in the Council's *Corporate Plan 2017-2020*.

7.3 Since the introduction of the policy, 6 businesses have been awarded this relief, totalling £411,230. The table below shows the date an award was initially made (the length if award could be for more than 1 year) and the total value awarded per year: -

Year	No. Businesses awarded	Total value of award (£)
2015	2	£152,380
2016	2	£159,360
2017	1	£29,491
2018	1 (1 pending)	£70,000
Total	6	£411,230

8. NDR Legislation Changes – 2019 and beyond

8.1 In recent years, there has been a number of changes to NDR Legislation due to the introduction of new reliefs to be awarded to businesses. In addition to this, there are significant legislation changes which are to be in place from 1 April 2020 and beyond.

8.2 The legislation changes have formed part of the 1-1 process with the NDR Team Leader, ensuring the Shared Service is prepared and proactive in undertaking the required work to introduce the new legislation. This will include system changes, training of staff and communication to businesses.

Some of the legislation is still in the early stages of conception, with requirements for Ministry of Housing, Communities and Local Government to engage with Billing Authorities. Details of all legislation is included in **Appendix 3** of this report.

9. Strategic Priorities

9.1 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 Council:
- North Kesteven DC:

- 9.2 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.
- 9.3 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.

10. Organisational Impacts

10.1 Finance

No direct financial implications arising from this report.

10.2 Legal Implications including Procurement Rules

No direct financial implications arising from this report.

10.3 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.

11. Risk Implications

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

12. Recommendation

- 12.1 Members are requested to note this report.

Is this a key decision?	No
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No

How many appendices does the report contain?

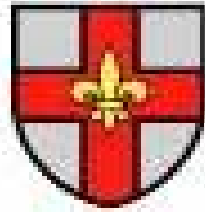
Three

List of Background Papers:

None

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CITY OF
Lincoln
COUNCIL

City of Lincoln Council

Business Rates Growth Policy

Document control

Organisation	City of Lincoln Council
Title	Business Rates Growth Policy
Author - name and title	Claire Moses – Revenues and Benefits Manager
Owner - name and title	Claire Moses – Revenues and Benefits Manager
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Introduction and Background

City of Lincoln Council's Business Rates Growth policy aims to provide a time-limited rate relief discount to new and extended business premises within the City, in the interest of building the Business Rates base, supporting economic growth and job creation. This policy supports the Council's open and partnership focussed approach to delivering growth as set out in the Vision 2020 Strategic Plan, particularly the objectives and ambitions relating to economic growth and reducing inequality.

Provisions under Section 69 of the Localism Act 2011 (amendment to Section 47 of the Local Government Finance Act 1988) allow all authorities to grant discretionary relief in any circumstances where the Council feels fit having regards to the effect on the Council Tax payers of its area.

Eligibility for this scheme will be dependent on the extent of the business premises creation or extension, location and the impact of the new business or expansion plans has on the local economy. Further details on eligibility criteria and application process are outlined below.

What Discount is available

For all suitable businesses outside priority employment areas the discount will only apply to the additional rateable value of a new business premises expansion or new build.

For businesses located within the priority employment areas – the Sustainable Urban Extensions and Strategic Employment sites as identified in the Central Lincolnshire Local Plan and shown on Plan in Appendix B), discount may also be eligible for vacant premises where it can be demonstrated that such supports a wider approved Business case and/or Masterplan and the local growth priorities as identified in Appendix B.

Where eligibility can be demonstrated business discounts of up to three years are available on the new or extended premises on a sliding scale of up to;

Year 1	100%	relief;
Year 2	50%	relief;
Year 3	25%	relief.

Eligibility Criteria

The Business Rates Growth Policy aims to support businesses by providing time-limited rate relief to enable or advance the development of new or extended premises, and where existing rate relief is not available. Eligibility and aspects of the scheme are summarised as follows;

- a. The ratepayer must be able to evidence that new employment floor space will be provided, and by association additional Rateable Value, either through new development or extension by the end of the discounted period (3 years).
- b. The ratepayer must be able to demonstrate that their business is of value to the City with reference to employment, economy, and/or growth sector as set out in local evidence (see Appendix B).
- c. The ratepayer must not be entitled to mandatory rate relief (Charity or Rural Rate Relief) or relief as a non-profit making organisation or as a sports club or similar.
- d. Discretionary rate relief will not ordinarily be granted on unoccupied premises. Consideration for this relief may however be given for Businesses within identified priority employment areas i.e. the Employment allocations associated with Sustainable Urban Extensions and Strategic employment Sites as identified within the Central Lincolnshire Local Plan, (see Appendix B). Any such award would support an approved long term Business or Management plan for growth.

- e. The ratepayer must demonstrate that assistance (provided by the Local Discount) will only be required for a maximum period of three years and that their business/ operation is financially viable in the medium and long term.
- f. Exclusive to the requirements above, the ratepayer must be able to demonstrate that they have a significant impact in respect of visitor footfall to the City. The ratepayer must demonstrate a commitment to new and expanding visitor attractions, and that the net result of this intervention/s will be have a positive impact in terms of supporting growth of a visitor centre in the Bailgate Quarter, as well as consideration given to projects in and around the Cathedral that improve visitor footfall.

Prospective applicants must apply to the Council's Major Developments Directorate for an initial discussion and 'audit of suitability', which will be undertaken by officers before a formal invitation to apply for relief is made. A formal application will then be required to be completed and submitted to the Council with all necessary supporting information on which the Council can base a decision

Application and Decision Process

In considering an Applicants suitability for Growth rate relief the Council will;

Undertake an assessment of overall risk, including consideration of previous business payment history, as well as to ensure the European Union State Aid limit would not be breached (currently a maximum of €200,000 within a 3 year period).

Consider the usage of business premises and, in particular, the contributions that businesses seeking rate relief make to their local economy and communities. Relief will be prioritised to organisations that meet the aims and objectives of local economic growth policies and contribution to the City of Lincoln Council's strategic priorities.

Consider the business' expansion plans. A Local Discount will not be awarded until the business has all the required permissions, licences, and other provisions in place in respect of premises development and has begun lawfully trading with a minimum lease period of 3 years and a statement of intention to operate the business in the City for five years or more.

A formal application to the Council will require all relevant information in respect of the policy criteria and all supporting information demonstrating compliance with eligibility criteria.

As relief will be time-limited, the applicant will also need to demonstrate how at the end of the award period of relief the business will fund the rates then due. A detailed financial and business plan must be provided in all cases.

Applications made for this Local Discount will be considered by an Officer Board for this Policy, being City of Lincoln Council officers, as follows:

- Financial Services Manager;
- One of the following from the Revenues and Benefits Shared Service;
 - Head of Shared Revenues and Benefits,
 - Revenues and Benefits Manager, or
 - Recovery & NNDR/BID Team Leader;
- Principal Development Officer;
- A replacement officer to the above may be part of the decision team, but only with prior approval from the Chief Finance Officer.

Applications for a Local Discount to the Council will be judged on individual merit and on a case-by-case basis. The scheme is discretionary and the applicant does not have a statutory right to payment. The Council reserves the right to refuse relief to any applicant and will provide an explanation of reasons in such cases.

Applicants will need to clearly demonstrate how the relief will be used to grow the business, providing an outcome report at the end of each financial year demonstrating how the growth objectives have been met – detailing measurable outcomes.

The growth discount will usually be awarded by means of a reduction shown on the business rate bill issued to the ratepayer. Where this puts the account in credit for the year, a refund will be made.

Business rate payments remain legally due and payable in accordance with the most recent bill until such time as any rate relief is awarded.

Right to Appeal

There is no statutory right to appeal against a decision under the associated legislation, other than Judicial Review. An applicant may make a request for the decision to be reviewed but only where either;

1. Additional information that is relevant to the application and that was not available at the time the decision was made becomes available, or
2. There are good grounds to believe the application or supporting information was not interpreted correctly at the time the decision was taken.

A request for a review must be made within four weeks of notification of the decision and must set out the reasons for the request and any supporting information.

The review will be considered by the City Council's Chief Finance Officer.

Subsequent applications will be considered after a 'cooling off period' of 3 months, to allow the business to revise their plans.

Clawback Provision

The Council may at the Council's absolute discretion if (in the Council's opinion) any of the Clawback Events or Termination Events listed occur:

- a. Suspend the payment of the Local Discount under this Policy for such period as the Council shall determine;
- b. Vary the Local Discount payable under this Policy, in which case the payment of funding shall thereafter be made in accordance with the written variation notified to the Applicant;
- c. terminate any agreement to pay the Local Discount under this Policy whereupon the Council shall cease to be under any obligation to provide any further Local Discount to the Applicant and (in addition) the Council may require the Applicant to repay the whole or any part of the Local Discount previously paid to the Applicant and the Applicant agrees that upon receipt of written notice requiring repayment the Applicant shall repay the sums required within 30 days of receipt of such notice.

Notwithstanding the provisions of Clauses a. and b above, in the event that an applicant relocates the business for which the Local Discount is payable to a location outside of the district, within a period of five years from the date of the decision to award the Local Discount, the Council shall be entitled to recover some or all of the Local Discount on the following basis:

- a. The relocation occurs before 3 calendar years have expired beginning with the date of the decision, 100% of the Local Discount shall be recoverable, at the Council's discretion;
- b. The relocation occurs after 3 years and before 4 calendar years have expired beginning with the date of the decision, a maximum of 50% of the Local Discount shall be recoverable, at the Council's discretion;
- c. The relocation occurs after 4 years and before 5 calendar years have expired beginning with the date of the decision, a maximum of 25% of the Local Discount shall be recoverable, at the Council's discretion.

Promoting and communicating the policy

Advice and information will be available to all business ratepayers on the Council's website and from staff who may be dealing with enquiries from ratepayers.

In order for a growth business to qualify for a discount they must apply to the Council's Major Developments Directorate. An initial 'audit of suitability' will be undertaken by officers before any formal invitation to apply for relief is issued to the business.

Implementation of the policy

Officers representing Revenues and Benefits, Finance and Major Developments Directorate, will implement the policy, make recommendations and decisions.

Scoring Criteria will be used in support of the decision making – which is shown in Appendix A to this document.

Complaints

Any ratepayers who believe their cases have not been correctly dealt can utilise the Council's Customer Complaints procedure.

Appendix A

Application requirements and decision making process

To enable consideration for relief, the ratepayer must submit a proposal to the Major Developments Directorate evidencing compliance with the eligibility and scoring criteria.

Applicants will need to clearly demonstrate how the discount will be used to grow the business and create jobs and how it meets the City’s growth priorities.

As discounting will be time-limited, the applicant will also need to demonstrate how at the end of the award period the business will fund the rates then due. A detailed financial and business plan must be provided in all cases.

If suitable, the application will be formally considered by a Council Officer Board and be judged on individual merit and on a case-by-case basis. The Council reserves the right to refuse relief to any applicant.

The percentage award will be based on the rateable value in place at the time of the application, and when a decision is notified this will be converted into a £.p figure, which will not be adjusted in the scenario where the rateable value is amended.

Scoring applications

Applications will be scored on the following criteria.

	Criteria	Maximum Score
1	The impact the proposed business investment will have on the City’s future Business Rate base	25
2	The value of the proposed business investment will have for the City’s Economic Growth Strategy and Priorities (as outlined in Appendix B)	25
3	Expected growth in jobs	25

4	Credit History/rating* Payment History* Risk*	15
5	Evidence of corporate social responsibility	10

Criteria 1: The ratepayer must be able to evidence that the proposals will have a positive impact on the City’s future Business Rates base and that an increase in rateable value will be generated by the end of the discounted period (3 years). This will be scored on a sliding scale of 0-25 depending on the value increase.

The ratepayer must not already be entitled to mandatory rate relief (Charity or Rural Rate Relief) or relief as a non-profit making organisation or as a sports club or similar.

Post discount business rateable value increase	Score
No increase	0
Anticipated Business Rates bases / rateable value increase	1 - 25

Criteria 2: The ratepayer must be able to demonstrate that their business is of value to the City’s economic growth and prosperity as set out in the local evidence listed in Appendix B.

Compliance with local economic growth priorities	Score
Partially compliant	Up to 12.5
Fully compliant	25

Discretionary rate relief will not ordinarily be granted on existing or unoccupied premises. Consideration for such may however be given for Businesses’ within identified priority areas i.e. within Sustainable Urban Extensions and Strategic Employment Sites as identified within the Central Lincolnshire Local Plan and shown on plan in Appendix B. Any such relief would be for a time limited period and need to be evidenced

that the relief supports delivery of an approved long term Business or Management plan for growth.

The ratepayer must demonstrate that assistance (provided by the Local Discount) will only be required for a maximum period of three years and that their business/operation is financially viable in the medium and long term.

Criteria 3: The ratepayer must be able to evidence that the investment represents a growth in job numbers within the business or significant retention of jobs. Eligibility will be scored on the basis of jobs created as a % of the existing number of jobs, over the period of the relief. Where evidenced this score may also take into account growth potential if successful and the number of jobs that may be created in local supply chains. Some investments i.e. in capital equipment, may not create many new direct jobs but may enable a company to enter new markets or create new products that over time will create significant numbers of additional indirect jobs. If the current number of jobs is ‘zero’ (e.g. a new business), the starting point against which a % will be applied, will be classed as ‘one job’.

% increase Number of jobs	Score
0	0
Less than 10%	10
10-50%	15
50-100%	20
Greater than 100%	25

Criteria 4: An assessment of risk will be undertaken and scored within a sliding scale of 0 high risk and 15 no risk based on the business’ financial, credit history/payment history and social integrity.

Risk: the Council will undertake an assessment of overall risk. The business must provide the council with a Business Plan which clearly demonstrates the impact of the proposed investment on the business and which includes a financial forecast and Balance Sheet.

Credit History: the Council must be convinced the business is sustainable and appropriately financed. Due diligence will include a review of audited accounts, a credit check and applicants will be expected to provide a letter of support from their bank.

Payment History – the Council is unlikely to award discounts to businesses with a poor payment history. Where the applicant is a UK inward investor, the council may require evidence of rates paid in another district.

Criteria 5: Evidence of a Business’s level of corporate social responsibility will also be taken into account when scoring eligibility. With a sliding score of 1-9 based on evidence such as compliance with the Living Wage Foundation’s wage standards and a maximum score of 10 where there is evidence of formal sign up to Local Charter Standards.

Further Criteria: As highlighted on page 6 of this Policy, this is another exclusive, independent criteria a business may fulfil, being:

The ratepayer must be able to demonstrate that they have a significant impact in respect of visitor footfall to the City. The ratepayer must demonstrate a commitment to new and expanding visitor attractions, and that the net result of this intervention/s will be have a positive impact in terms of supporting growth of a visitor centre in the Bailgate Quarter, as well as consideration given to projects in and around the Cathedral that improve visitor footfall.

This particular criteria is scored in line with the mechanism as documented in this Policy for criteria 1-5, however a separate score of up to 50 is available where the ratepayer can demonstrate they meet this particular independent criteria.

The highest possible score is 100. A score of less than 50 will result in the rejection of the application. There is no right of appeal, although a case may be reviewed if further information/ clarification is made available. Subsequent applications will be considered after a ‘cooling off period’ of 3 months, to allow the business to revise their plans.

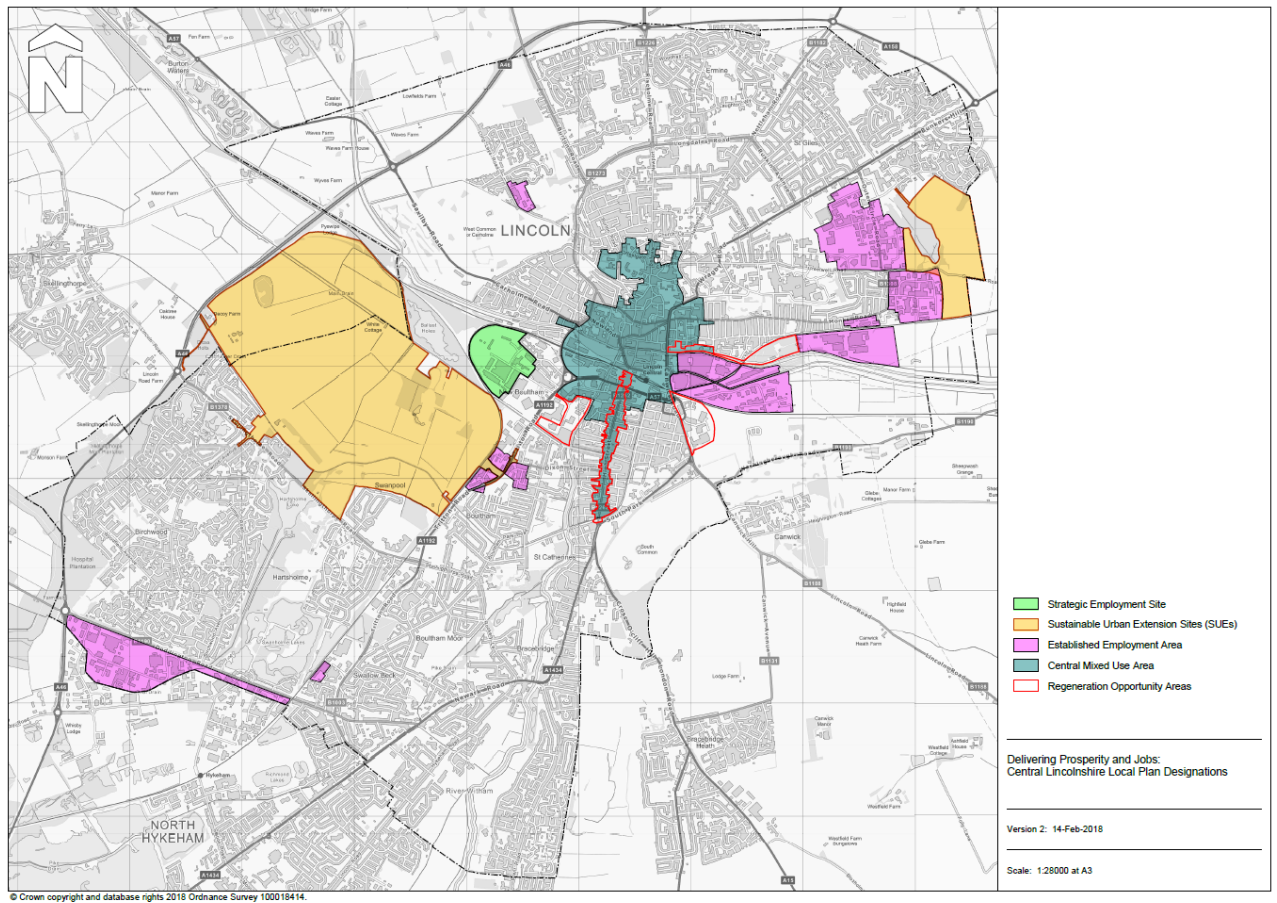
Appendix B

Local Priorities for Economic Growth in Lincoln: Evidence Document List

Note further evidence may be available or developed and should be referenced where relevant.

Document	
National Industrial Strategy and emerging Local industrial Strategies	As well as the sectors already identified in the Greater Lincolnshire Strategic Economic Plan, emerging priorities identify the need to maximise business opportunities in relation to Science and digital technologies and ‘Smart’ markets. Business growth and expansion into exports markets are also a recognised priority.
<p>“Greater Lincolnshire Strategic Economic Plan 2016” https://www.greaterlincolnshirelep.co.uk/documents/strategic-economic-plan-2016-refresh</p>	Identifies 6 priority sectors – agri food; manufacturing; health and care; ports and logistics; visitor economy; low carbon and digital.
<p>“Central Lincolnshire Local Plan” adopted 2017 https://www.n-kesteven.gov.uk/central-lincolnshire/planning-policy-library/</p>	<p>Identifies the need for 11,894 new jobs within Central Lincolnshire by 2036 – 496 pa.</p> <p>Identifies Priority Employment sites as ; Strategic Employment Site (LSIP) 11.5 ha; and Sustainable Urban Extensions (NEQ 5 ha; WGC 20 ha)</p>
<p>“Central Lincolnshire Economic Needs Assessment June 2015” https://www.n-kesteven.gov.uk/central-lincolnshire/planning-policy-library/</p>	<p>Identifies strong growth opportunities in professional and business and visitor sectors.</p> <p>Identifies stable growth in manufacturing, and particularly food manufacturing. Identifies the need to maximise international opportunities for expansion. Evidences the need for new business premises within Central Lincolnshire.</p>
<p>“Central Lincolnshire Economic Growth Delivery Plan April 2016” https://www.n-kesteven.gov.uk/central-lincolnshire/planning-policy-library/</p>	Identifies key growth priorities for Central Lincolnshire.

<p>“A Growth Strategy for Lincoln 2014-2034” https://www.n-kesteven.gov.uk/resources/assets/attachment/full/0/017772.pdf</p>	<p>Summarises the growth objectives for the City reflecting the priorities identified in the wider area.</p>
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NNDR Discount Rationale

The rationale for offering businesses incentives to grow and locate in North Kesteven is derived from the **Our Economy** priority published in the Council's *Corporate Plan 2017-2020*

Objective: Facilitating the delivery of new jobs, homes and infrastructure to support long term growth.

Priority: To promote the economic and employment growth of North Kesteven.

Ambitions: To support business growth and jobs in NK; Regenerate NK; Drive investment in NK including transport routes.

- Supporting Business Growth - Provide focused support for growth and entrepreneurial activity. Facilitate both the delivery of new jobs and the safeguarding of existing jobs across North Kesteven. Work with new and existing businesses to develop a more balanced and higher wage economy for the district that provides a wider range of attractive employment opportunities within the district
- Regenerate NK - Facilitate regeneration within the district to make North Kesteven an attractive location for residents, businesses, visitors and investors.
- Drive Investment in NK - Secure increasing levels of inward investment in NK to deliver regeneration and infrastructure improvements including transport routes. Invest Council funds as appropriate to overcome current market constraints

In line with government policy and the provisions of the Localism Act, the Council now has the flexibility to develop discretionary policy to encourage and stimulate economic growth. Discounting of business rates (NNDR) can be used by the council to un-lock private sector investment in North Kesteven.

The Council recognises that 'business rates' represent a significant cost to business and 'discounting' is therefore a tool the Council can employ pro-actively and where

appropriate in order to stimulate sustainable investment in land, capital equipment or premises.

According to the Bank of England and the British Chambers of Commerce, access to capital or business finance for growth projects is still limited as a result of the economic downturn and recession (2008-12) and banks are requiring much greater levels of security in order to underwrite risk. Lending to SMEs has actually fallen in the first quarter of 2014. Given that evidence suggests that chronic ‘undercapitalisation’ of SMEs and micro businesses is a significant barrier to growth and investment in the local economy, businesses are financing growth out of cash-flow. NNDR ‘discounting’ will free up cash to invest in business growth.

The net result of the council’s interventions will be a positive impact in terms of creating and safeguarding jobs as well as securing medium term revenue increases for the council by developing additional employment floor space that would not otherwise be reasonably expected to come to market in the short term.

The policy is primarily designed to support local businesses wishing to grow and invest in North Kesteven. However, our economy does not operate in a vacuum. Competition for investment across the GLLEP, Central Lincolnshire, the East Midlands and the wider UK is fierce. Business investments or the location or relocation of any business are decisions taken after balancing a wide range of factors, including availability of land and premises, skills, access to markets, transport, infrastructure and broadband as well as operational cost and scale economies. Some NK companies have already relocated some or all of their business to other districts, enterprise zones or parts of the UK where greater financial support is available. This is a fact of commercial life. However, this policy is not designed to encourage businesses to migrate from one area to another simply in order to take advantage of NNDR discounting, as we believe such a policy is at worst anti-competitive and at best unsustainable, but the policy is designed to enable North Kesteven to compete effectively and on an equal footing with other districts across the region (including those districts where discounting policies are already active) and in the wider UK economy where other factors may disadvantage North Kesteven.

In April 2013 NKDC published its *Economic Prospectus* which provides a snapshot of the local economy comparing its composition and historic performance against the regional and national economies. Using Experian data analysed by the University of Lincoln the prospectus then scopes potential strategic approaches to delivering economic growth. Since that Study the Eco Dev Team has been running a management programme with the identified TOP 50 NK companies by growth. This programme has provided further insight into key sectors and the barriers preventing growth. For the purposes of this scheme Growth Sectors have been updated accordingly.

Growth Sectors in North Kesteven 2013-32
Food & Farming
Manufacturing & Engineering
Construction
Defence & Security
Digital
Retail
Health Care

How the policy works

Discretionary discounts can be offered to a ‘growth business’ able to demonstrate to the satisfaction of the Council’s ‘Growth Board’ that the sum of the discount granted will facilitate or enable a reciprocal investment by that business in a sustainable growth project that will create or safeguard jobs or result in the development or occupation of additional employment floor space.

The growth board comprises:

- NKDC Finance Manager
- NKDC Revenues Manager
- NKDC Finance officers
- NKDC Economic Development Manager
- NKDC Economic Development Officers as appropriate

Criteria and how to apply

1. Application requirements and decision making process

In order for a growth business to qualify for a discount they must be invited to apply to the growth board by an economic development officer. The economic development officer is responsible for carrying out an initial ‘audit of suitability’ before any formal invitation to apply for relief is issued to the business.

Applications will be scored by the Council’s Growth Board which will sit quarterly. Applications to the Council’s ‘Growth Board’ will be judged on individual merit and on a case-by-case basis. Applicants will need to clearly demonstrate how the discount will be used to grow the business and create jobs. As discounting will be time limited, the applicant will also need to demonstrate how at the end of the award period the business will fund the additional rates then due. A detailed financial and business plan must be provided in all cases. The council reserves the right to refuse relief to any applicant.

The policy is designed to help increase the proportion of SMEs in the local economy. Therefore the amount of discount available to smaller businesses is greater.

Size of business	% Discount Available
1-50 employees	Up to 100%
51-100 employees	Up to 75%
101-250 employees	Up to 50%
251+ employees	Up to 25%

2. Scoring applications

Applications will be scored on the following criteria:

Criteria	Score
Jobs safeguarded	10
Jobs created*	10
Future Jobs*	10
Skills/GVA Bonus	10
M ² of new employment floor-space constructed*	20
M ² of new employment floor-space occupied*	10
Market attractiveness *	10
Overall economic impact*	10
Risk*	10
Credit History/rating*	10
Payment History*	5

1. Number of jobs directly created by the investment in the first 2-3 years. The more jobs, the higher the score!
2. Quality of Jobs/GVA. Jobs with relatively high GVA score more. Lincolnshire GVA is lagging behind the rest of the UK. High Skilled jobs are what the economy needs. Low numbers of high value jobs are therefore arguably more important for the economy particularly when one considers that NK has full employment.
3. Future Jobs/indirect Jobs. This score takes into account growth potential if successful and the number of jobs that may be created in local supply chains.
4. Jobs Safeguarded. Existing jobs secured for the district as a direct result of the project or investment.

Jobs	1-10	11-50	50-100
Jobs saved	0	5	10
New Jobs (1 st 2yrs)	5	5	10
Future Jobs potential	5	5	5
GVA+	5	5	5
Skills	5	5	5

5. New business premises constructed as a result of the investment.

6. Additional business premises occupied by the business as a result of the investment. Where this is an inward investor (ie business not currently in the district) the new premises occupied counts as additional space.)

ft ²	score
200-500	2
500-1000	5
1000-3000	7
3000-5000	8
5000+	10

7. Market attractiveness – the council is keen to back growth businesses in growth markets. Key market sectors for the district are set out in the council’s *Economic Prospectus*. This does not mean businesses operating in other markets are excluded from applying for a discount. A business trading or proposing to enter other growth markets new to the business or the district will be required to submit some independent assessment or measure of attractiveness and sustainability.
8. Overall economic impact. A qualitative measure designed to assess the wider impact of the proposal rather than just its scale. For example skills, GVA and location are all qualitative factors the council may consider when scoring applications. The council is also committed to growing the number of SME businesses in order to improve the resilience and attractiveness of the local economy to skilled workers, professionals and graduates and to retain well-qualified school leavers by providing a greater range of and career development opportunities.
9. Risk: the Council will undertake an assessment of overall risk. The business must provide the council with a Business Plan which clearly demonstrates the impact of the proposed investment on the business and which includes a financial forecast and Balance Sheet.
10. Credit History: the Council must be convinced the business is sustainable and appropriately financed. Due diligence will include a review of audited accounts, a credit check. Applicants may be asked to provide a letter of support from their bank.
11. Payment History – the Council is unlikely to award discounts to businesses with a poor payment history. Where the applicant is a UK inward investor, the council may require evidence of rates paid in another district.

There is no maximum possible score. However an average score of less than 50 points across the board may result in the rejection of the application. There is no right of

appeal, but subsequent applications will be considered after a cooling off period of 3 months to allow the business to revise their plans.

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Appendix 3 – 6 September 2019 - Revenues and Benefits Joint Committee – Business Rates Update

	Legislation	Details and stage of legislation
1.	Non Domestic Rate (Lists) Bill 2017-19	Next Stage: Goes to the House of Lords in September Brings revaluation forward from 2022 to 2021 - changes revaluation from 5 years to 3 years - changes date of draft list from 31/12 to 30/9
2.	GVA Grimley – NHS Mandatory Relief	Next Stage: Goes to court of appeal in November. Govt have already funded through public funding, likely to request return of this from NHS and use to refund BA's
3.	Breathing Space	Action CM: Review of policies by CM during 2020/21 Next Stage: To be introduced from April 2021 Bill not introduced yet - but before 31/12/2019 https://www.gov.uk/government/consultations/breathing-space-scheme-consultation-on-a-policy-proposal/breathing-space-scheme-consultation-on-a-policy-proposal Government commitment to support vulnerable consumers, stop problem debt occurring and help people out of problem debt. 60 day period of time to see advice and find a solution. For CT only monthly arrears, not ongoing debt, unless lost right to pay by instalments
4.	Non Domestic Rates (Public lavatories) Bill	Next Stage: Funding from central govt. to be confirmed Introduced 18.6.19, 2nd reading 10.7.19 Provides 100% relief to public toilets - public and private owned - free or charge for use - mandatory
5.	Hospital (Parking charges and business rates) Bill 2017-19	Next Stage: Awaiting next date for reading to be announced Introduced September 2017 2nd reading due 11.05.18 - objected and postponed to 15.3.19 - objected again and postponed To prohibit charging for car parking at NHS Hospitals for patients and visitors; to make provision for NHS Hospitals to be exempt from business rates; and for connected purposes

Appendix 3 – 6 September 2019 - Revenues and Benefits Joint Committee – Business Rates Update

6.	Central Rating List (England)(Amendments) Regulations 2019	Action Central Govt: Laid 01.03.19, Effective 01.04.19 NO LONGER IN CENTRAL LIST FROM 2021 Updates central list regulations (SI 2005/551). Recognises split between national grid as an electricity generation asset and a system operator. From 2021 properties occupied by National Grid Electricity System Operator LTD will not be shown on the central list
7.	Non Domestic Rating (Preparation for Digital Services) Bill 2017-19	Action Central Govt: House of commons into 25.04.19, 2nd reading 13.05.19, committee and 3rd reading 20.05.19. Lords 1st reading 21.05.19, 2nd 11.06.19 CONSULTATION AND COLLABORATION NEEDED Allows HMRC to invest in digitising NDR. New design of the system will not come in to force until after the next reval in 2024

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 national Universal Credit (UC) updates for this particular report.

2. Executive Summary

- 2.1 This report provides Joint Committee with an update on national Universal Credit changes; to include reference to the national statistics and national legislation changes.

The report will also provide Joint Committee with an up to date Welfare Reform action plan.

3. Background

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

- National Progress - statistics;
- National legislation changes; and
- Background Papers.

4. National Progress – Statistics

- 4.1 Latest figures published by the Department for Work and Pensions (DWP) were released on 16th July 2019, with statistics relevant to the period up to 13th June 2019.

- 2,171,997 households receiving UC (this is an increase from 1,959,129 as reported at the last meeting of this Committee)
- 697,789 were in employment. (33%) (this is an increase from 652,007 as reported at the last meeting of this Committee)

5. Update – Private Landlord Portal

- 5.1 DWP has announced that they are developing a Private Landlord Portal, whilst this is possibly better for the landlord to apply, this appears to potentially come away somewhat from the original concept of UC being paid direct to the tenant and budgeting accordingly.

6. Recent Universal Credit changes – Autumn 2018 budget announcement and January 2019 announcement

- 6.1 **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.

There have been no new announcements since the last meeting of this Committee.

7. Welfare Reform Strategy Action Plan

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

Updates on progress of this plan is provided at **Appendix 2** to this report. The action plan is fluid and flexible to respond to changes in welfare reform related priorities, changes and demands.

8. Strategic Priorities

- 8.1 **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.

- 8.2 **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.

9. Organisational Impacts

- 9.1 **Finance:** There are no direct financial implications arising as a result of this report.
- 9.2 **Legal implications inc Procurement Rules:** There are no direct Legal or Procurement implications arising from this report.

10. Risk Implications

10.1 The Councils bear the risk of local authority rent arrears which are not fully recovered.

11. Recommendation

11.1 Joint Committee notes this report – and that an update will be presented at the next meeting of this Committee on 26th November 2019.

Key Decision No

Do the Exempt Information Categories Apply No

Call In and Urgency: No

Does the report contain Appendices? Yes

If Yes, how many Appendices? Appendix 1: Universal Credit Changes – 2019
Appendix 2: 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: 6th September 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update July 2019

Autumn Budget 2018		
Update	Details	Update for 6th September 2019
Universal Support	<p>Universal Support 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>	<p><i>August 2019: Verbal Update will be provided at this Committee along with the Universal Credit Update report</i></p>

APPENDIX 1: 6th September 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update July 2019

Autumn Budget 2018		
Update	Details	Update for 6th September 2019
Universal Credit and Supported Housing	<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 9th 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>	
Universal Credit Work Allowance increase	<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><i>August 2019: No new update since last Committee</i></p> <p><i>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.</i></p> <p><i>Higher work allowance = £503pcm</i> <i>Lower work allowance = £287pcm</i></p>

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Autumn Budget 2018		
Update	Details	Update for 6th September 2019
		<p><i>However if you are a worker who has no children or you or your partner have not been assessed as having limited capability for work, you will still not receive help in the form of work allowances.</i></p> <p><i>The allowance will result in customers who are entitled to it will be better off by £1000 per year.</i></p>
<p>Extra help for households moving onto Universal Credit</p>	<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</p>	<p><i>August 2019: No new update since last Committee</i></p> <p><i>2 week run on for JSA, ESA and IS customers</i></p> <p><i>These means those who are migrated to UC from July 2020 will receive 2 weeks of HB, 2 weeks of either JSA/IS or ESA and 2 weeks of UC, which adds further financial security to dealing with moving to monthly payments and lessens the need for advanced loans and threat of eviction/court.</i></p> <p><i>By reducing the maximum amount that deductions can be made and extended the repayments, this will reduce hardship.</i></p>

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Autumn Budget 2018		
Update	Details	Update for 6th September 2019
	<p>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 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>	
Funding previously announced measures	<p>for 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</p>	<i>August 2019: No new update since last committee</i>

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Autumn Budget 2018		
Update	Details	Update for 6th September 2019
	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) until April 2020, when it will revert to affecting earnings spikes of £300.	
Support for 18 to 21 year olds and supported Housing	<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</p>	<p><i>August 2019: No new update since last Committee</i></p> <p><i>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.</i></p> <p><i>Allows those 18-21 to have the rent element paid, they will still be subject to the intensive work scheme (providing they are not exempt) and will allow them to look to enter the labour market with the correct support, whilst being able to live in a stable environment.</i></p>

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Autumn Budget 2018		
Update	Details	Update for 6th September 2019
	attending training or work experience, travel and childcare costs may also be reimbursed.	

January 2019			
Update	Effective Date	Details	Update for 6 September 2019
Severe Disability Premium and Universal Credit	January 2019	<p>Claimants receiving the Severe Disability Premium (SDP) 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"> • JSA(IB) • ESA(IR) • IS • HB <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>	<p><i>August 2019: The Universal Support team are currently reviewing cases who may be eligible for an SDP. All customers with Disability Living Allowance (DLA) Care and Personal Independence Allowance (PIP) will have a review where there is a deduction for under occupation. The team will look to reduce this through increasing the carers allowance within the claim calculation or Discretionary Housing Payment. There are 188 Lincoln tenants who are in receipt of either DLA or PIP – Officers are currently reviewing the best way to proceed with these cases.</i></p> <p><i>By retaining those with SDP under HB this allows for them to continue to receive disability premiums, which there are currently none under UC.</i></p> <p><i>Those that have already moved over before the regulations changed will be given backdated</i></p>

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January 2019			
Update	Effective Date	Details	Update for 6 September 2019
		<ul style="list-style-type: none"> • Disability Living Allowance (DLA) care component at the middle or higher rate • Personal Independence Payment (PIP) daily living component at the standard or enhance rate • Attendance Allowance or Constant Attendance Allowance • Armed Forces Independence Payment (AFIP). <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> <p>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.</p>	<p><i>“compensation” payments as a transitional payment”. Details are yet to be released.</i></p>
Universal Credit Two-child Limit	1 February 2019	Families with more than two children who make new claims for Universal	<i>August 2019: No new update since last Committee</i>

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January 2019			
Update	Effective Date	Details	Update for 6 September 2019
		<p>Credit will no longer be directed to claim Child Tax Credit.</p> <p>The two child limit will not apply to those families.</p> <p>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.</p>	<p><i>Those that have more than 2 children before April 2017 will get the child element under UC for all children, if a subsequent child is born after April 2017 they will not get the child element for this child.</i></p> <p><i>Those who have a 3rd child after April 2017 will not get the child element for this child (they would still be entitled to any disabled elements).</i></p> <p><i>Those with more than 2 children, who get the child element will in most cases be subject to the Benefit Cap of £20,000, which in most cases will then not make them any better off financially.</i></p>
Pension Credit Child allowances	1 February 2019	<p>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.</p>	<p><i>August 2019: No new update since last Committee</i></p>
Universal Credit Work Allowance Increases	April 2019	<p>Work allowances are the amount of your earnings from employment that you are allowed to keep before it is</p>	<p><i>August 2019: No new update since last Committee</i></p>

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January 2019			
Update	Effective Date	Details	Update for 6 September 2019
		taken into account as income for Universal Credit. These will increase by £1000 for the year, meaning 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.	
National Minimum Wage Increase	April 2019	<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>	<i>August 2019: No new update since last Committee</i>
Universal Credit and Mixed Aged Couples	16 May 2019	From 15 May 2019, mixed age couples (where one party of the couple is over Pension Credit qualifying age and the other under that age) will no longer be able to choose whether they claim Universal Credit or Pension Credit or pension age Housing Benefit. Both parties of a couple will have to reach the Pension Credit	<i>August 2019: No new update since last Committee</i>

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January 2019			
Update	Effective Date	Details	Update for 6 September 2019
		<p>qualifying age before they can be entitled to Pension Credit and/or pension age Housing Benefit.</p> <p>Protections There is a protection for existing mixed age couples as though the changes had not come into force. This means that where a mixed age couple were entitled to the following on 14 May 2019, they will continue to be entitled on or after 15 May 2019:</p> <ul style="list-style-type: none"> • Pension age Housing Benefit • Pension Credit or • Both. <p>The protection will cease for the working age member of the couple, on any day on or after 15 May 2019, when that person is not entitled to either pension age Housing Benefit or Pension Credit as a part of the same mixed age couple.</p> <p>Single Pensioner forms a partnership If a single pensioner forms a couple with a person below the qualifying age</p>	

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January 2019			
Update	Effective Date	Details	Update for 6 September 2019
		<p>on or after 15 May 2019, entitlement to pension age Housing Benefit and Pension Credit will end.</p> <p>Approaching mixed age: Couples who are under State Pension age and have an award of HB assessed under the Housing Benefit Regulations 2006 (SI 2006/213), 'working age HB', will become a mixed age couple once one member reaches pension age.</p> <p>At this point rather than re-assessing the claim under the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 (SI 2006/214) 'pension age HB', the couple should be advised that they need to claim Universal Credit (UC). The relevant provision is Article 6(2)(b) and (3)(a) of SI 2019/37.</p> <p>Where the younger partner is in receipt of Income Support (IS), Jobseeker's Allowance (income-based) (JSA(IB)), Employment and</p>	

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January 2019			
Update	Effective Date	Details	Update for 6 September 2019
		Support Allowance (income-related) (ESA(IR)), the couple will not be required to claim UC and can continue to receive working age HB if they have an existing claim until there is a relevant change in their circumstances which ends entitlement to those benefits. They will have to claim UC if they need further help with their housing costs.	
Managed Migration	July 2019	<p>The current plan in Great Britain is that DWP will begin testing the managed migration process from July 2019 to July 2020 through a pilot in Harrogate.</p> <p>During this period, up to 10,000 existing legacy benefit claimants (including some tax credit claimants) will be moved across to UC through the new process.</p> <p>Benefit claimants in Harrogate in North Yorkshire will be the first to be transferred to Universal Credit by managed migration under a pilot scheme for 12 months. Transitional protection will be available to those taking part in the pilot. Only once the</p>	<i>August 2019: The Universal Support team will monitor the process and outcomes of the managed migration.</i>

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January 2019			
Update	Effective Date	Details	Update for 6 September 2019
		pilot scheme has been completed and assessed, claimants will be moved over to Universal Credit in greater numbers.	
Self-employed minimum income floor grace period	July 2019	<p>Self-employed people whose earnings are low, may have their Universal Credit worked out on higher earnings than they have. This is called the Minimum Income Floor (35hours per week x £8.21(NLW) x 52 weeks/12 months). If the business has started within the last 12 months the minimum income floor does not affect the entitlement for the first 12 months of the Universal Credit claim. The government have announced that they will extend this 12-month ‘grace period’ to all people who are gainfully self-employed.</p> <p>However, this will only apply to people who have been transferred over to Universal Credit by managed migration from July 2019 at the earliest. Self-employed people who make a new Universal Credit claim or</p>	<i>August 2019: No new update since last Committee</i>

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January 2019			
Update	Effective Date	Details	Update for 6 September 2019
		have a change of circumstance which moves them on to Universal Credit, will not benefit from this change until September 2020.	
Universal Credit Advance Recovery Reduction	October 2019	<p>From October 2019, the maximum rate at which deductions can be made from Universal Credit, to repay an advance payment, will be reduced from 40% to 30% of the standard allowance of Universal Credit.</p> <p>The period over which advances can be recovered will be extended from 12 to 16 months, from October 2021.</p>	<i>August 2019: No new update since last Committee</i>
Parental Bereavement leave and pay	April 2020	The government will introduce a new legal entitlement to two weeks' leave for employees who suffer the death of a child under 18, or a stillbirth after 24 weeks of pregnancy. Employed parents will also be able to claim pay for this period if they meet the qualifying conditions. However, we are awaiting further announcements on what the qualifying criteria is going to be.	<i>August 2019: No new update since last Committee</i>

APPENDIX 1: 6th September 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update July 2019

January 2019			
Update	Effective Date	Details	Update for 6 September 2019
Removal of free TV Licence	June 2020	The free TV licence will no longer be available to all people 75 or over. From 1 June 2020 the criteria will be aged 75 or over and getting Pension Credit in order to qualify for the free licence.	<i>August 2019: No new update since last Committee</i>
2 weeks transitional payment for passported incomes	July 2020	Claimants will receive an additional fortnight's worth of Income-based Jobseekers' Allowance, Income-related Employment and Support Allowance or Income Support if they are on one of these benefits when they move over to Universal Credit	<i>August 2019: No new update since last Committee</i>
Self-employed Minimum Income Floor Grace Period	September 2020	Available to everyone	<i>August 2019: No new update since last Committee</i>

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APPENDIX 2: 6th September 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update August 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	Ongoing throughout 2019/20	<p><i>August 2019: Ongoing – UC changes are being included within staff training and quality checks are undertaken for UC assessments.</i></p> <p>Update May 2019: Outcome of 2018/19 UC Support has been reviewed. North Kesteven have retained UC Support Officer for 2019/20 and 2020/21. City of Lincoln are currently reviewing the level of support.</p>
WR4	Assess impacts of COL/NK funding changes regarding national UC rollout	Head of Shared Revenues and Benefits	Ongoing	<p><i>August 2019: No update since last meeting of this Committee.</i></p> <p>UC funding for Local Authorities ceased on 31 March 2019 with funding being transferred to Citizens Advice for Help to Claim.</p> <p>LA's still receive DWP funding for other areas relating to UC. Currently a total of £68,562 funding has been received for new burdens and mixed age couples: -</p> <ul style="list-style-type: none"> • City of Lincoln = £47,478 • North Kesteven = £21,084
WR11	Training delivery plan for UC and USDL to be formulated	Revenues and Benefits Manager	Ongoing throughout 2019/20	<p><i>August 2019: Ongoing – UC changes are being included within staff training and quality checks are undertaken for UC assessments.</i></p>

APPENDIX 2: 6th September 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update August 2019

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
				<p>All shared service staff have Universal Credit training with assessment guides. UC Support team have a detailed understanding of legislation and the impacts this has on customers.</p> <p>Training is delivered as and when new legislation is announced.</p>
WR13	Other opportunities for co-location to support USDL work identified	Head of Shared Revenues and Benefits	Ongoing throughout 2019/20	<p><i>August 2019: Citizens Advice is undertaking Help to Claim from their office. For NK, co-location will be trialled from 2 September for 8 weeks</i></p> <p>Potential for co-location of Lincoln Citizens Advice at City Hall, particularly due to the Help to Claim process and close link needed to Lincoln teams.</p>
WR15	Invest to Save monthly monitoring	Revenues and Benefits Manager	Ongoing	<p><i>August 2019: Separate report as part of this committee with regards to HB Overpayments.</i></p> <p>Housing Benefit Overpayment Project – reduction in overpayments for 2018/19 of £676,968: -</p> <ul style="list-style-type: none"> • City of Lincoln = £463,353 • North Kesteven = £213,615 <p>August 2019: No update since last meeting of this committee</p> <p>Single Person Discount Review – Bulk review to be undertaken from April to August 2020. Tender process</p>

APPENDIX 2: 6th September 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update August 2019

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
				to be undertaken for monthly reviews from September 2020 onwards.
WR17	Quarterly updates to Revenues and Benefits Joint Committee on welfare reform strategy progress	Revenues and Benefits Manager	Quarterly throughout 2019/20	<i>6th September 2019 Joint Committee meeting.</i> 3 June 2019 Joint Committee meeting
WR28	Review of DHP procedures for COL + NK for 2019/20	Benefits Team Leader (Lincoln	Ongoing through 2019/20	<i>August 2019: No update since last meeting of this Committee.</i> DHP process is reviewed regularly as part of monthly DHP meetings. Full review is undertaken annually.
WR29	Monthly monitoring of 2019/20 Council Tax Support Schemes COL + NK	Revenues and Benefits Manager	Ongoing through 2019/20	<i>August 2019: No update since last meeting of this Committee.</i> Ongoing through taxbase: No concerns currently. Reduction in caseload each month as a result of UC and less generous scheme.
WR31	Assessment of options for 2020/21 Council Tax Support Schemes COL+NK – including	Revenues and Benefits Manager	End July 2019	<i>August 2019: No update since last meeting of this Committee.</i> Modelling for 2020/21 scheme to start in June 2019

APPENDIX 2: 6th September 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update August 2019

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
	links into UC such as banding			Committee timetable to begin in August 2019 with public consultation. Final scheme decision by January 2020
WR32	Produce annual COL/NK welfare reform report	Revenues and Benefits Manager	November 2019	<i>August 2019: No update since last meeting of this Committee.</i> Report to be produced and brought to this Committee
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	Ongoing through 2019/20	<i>August 2019: No update since last meeting of this Committee.</i> Monthly meetings arranged for 2019/20 between COL and NK
WR34 Vision 2020	Further Support for residents to adapt to welfare reform	Revenues and Benefits Manager	Ongoing throughout 2019/20 and beyond	<i>August 2019: Welfare Reform and Project Officer has been tasked with looking at ways the team can support customers to reduce inequality. This is included on the project leads 1-1 and will be fed back to Lincoln Reducing Inequality Vision Group meeting in September 2019.</i> Welfare Reform report and Universal Credit report which is brought to this Committee provides updates
WR35	Maintaining support for people moving to Universal Credit	Revenues and Benefits Manager	Ongoing throughout	<i>August 2019: UC Advice review currently being undertaken.</i>

APPENDIX 2: 6th September 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update August 2019

Ref.	Action	Responsible Officer/ Organisation	Target Date	Comments/ Updates
Vision 2020			2019/20 and beyond	Welfare Reform report and Universal Credit report which is brought to this Committee provides updates
WR36	Analyse potential impacts of key welfare reform announcements from Budgets in 2017	Revenues and Benefits Manager	Ongoing throughout 2019/20 and beyond	<p><i>August 2019: Welfare Reform and Project Officer has been tasked with looking at ways the team can support customers to reduce inequality. This is included on the project leads 1-1 and will be fed back to Lincoln Reducing Inequality Vision Group meeting in September 2019.</i></p> <p>Welfare Reform report and Universal Credit report which is brought to this Committee provides updates</p>

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SUBJECT:	EXCLUSION OF THE PRESS & PUBLIC
DIRECTORATE:	CHIEF EXECUTIVE & TOWN CLERK
REPORT AUTHOR:	CAROLYN WHEATER, MONITORING OFFICER

1. Purpose of Report

- 1.1 To advise members that any agenda items following this report are considered to contain exempt or confidential information for the reasons specified on the front page of the agenda for this meeting.

2. Recommendation

- 2.1 It is recommended that the press and public be excluded from the meeting at this point as it is likely that if members of the press or public were present there would be disclosure to them of exempt or confidential information.

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