

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

Apologies for Absence: Councillor Nikki Dillon

23. Confirmation of Minutes - 6 September 2019

RESOLVED that the minutes of the meeting held on 6 September 2019 be confirmed.

24. Related Matters

The Head of Shared Revenues and Benefits advised that today agenda was a shortened version due to the current pre-election period. He advised that the Revenues and Benefits Shared Service Business Plan 2020/21 would be considered at the next meeting of Shared Revenues and Benefits Joint Committee to be held on 5 February 2020.

25. Declarations of Interest

No declarations of interest were received.

26. Performance Update

Purpose of Report

To provide the Joint Committee with an update on performance in the Revenues and Benefits Shared Service.

Decision

That the report be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

Updates were noted on the following aspects of the Shared Service (data contained within Appendix A):

Council Tax

The table at paragraph 4.2 of the report showed the in-year collection period for the current financial year 2019/20 up to the end of Quarter 2, compared to the same point in 2018/19.

As at the end of Quarter 2 2019/20, Council Tax in-year collection was up by 0.07% for the City of Lincoln and down by 0.35% for North Kesteven, respectively. For the City of Lincoln, not only was collection marginally higher than in the year prior (by 0.07% equivalent to £31,429), but the net collectable

debit had also increased by £2,955,109. With regard to North Kesteven, the reduced collection rate equated to £230,952, however, the net collectable debit had increased by £4,685,501 and total net receipt had increased by £2,471,812. In-year collection was down by 0.49% at the end of August 2019 (equivalent to a reduction of £323,221) – which showed the improvement in September 2019. There had been an additional 573 properties added to the taxbase compared to April 2018.

Committee were further updated that at the end of October 2019, Council Tax in-year collection was down for the City of Lincoln and North Kesteven, respectively, although not by a huge amount. Officers were not massively concerned, although keeping a watching brief. There had been a drop off in council tax support applications, the authority was carrying out a publicity campaign in this respect together with putting letters in council tax reminders.

Business Rates

The table at paragraph 4.5 of the report showed the Business Rates in-year collection period for the current financial year 2019/20 up to the end of Quarter 2 2019/20, compared to the same point in 2018/19.

As at the end of Quarter 2 2019/20, Business Rates in-year collection was down by 0.99% for the City of Lincoln, and down by 0.31% for North Kesteven, however up by 0.41% for West Lindsey. For the City of Lincoln the reduced collection rate of 0.99% equated to £446,555 of the net collectable debit, with total net liability having increased by £60,882 and total net receipt having decreased by £411,427. In-year collection was down by 1.61% at the end of August 2019 (equivalent to a reduction of £784,462) – which demonstrated improvement in September 2019.

With regard to North Kesteven the decreased collection rate of 0.31% equated to £87,633 of the net collectable debit, with total net liability having increased by £808,072 and total net receipt had decreased by £367,226. For West Lindsey the increased collection rate of 0.41% equated to £73,424 of the net collectable debit, with total net liability having increased by £286,462 and total net receipt also increased by £241,829.

Committee were further updated that at the end of October 2019, Business Rates in-year collection remained down for North Kesteven and up for West Lindsey. Business Rates in-year collection was down by 1.78% for the City of Lincoln. There had been a number of re-set instalment plans/backdated rateable values and changes in ownership of businesses, together with a number of business rates not being due until December 2019 instalments, which attributed to this position. Also, a write-outs/ irrecoverable debts report was due to be presented to Executive this evening.

Outstanding Revenues Customers

The table at paragraph 4.8 of the report showed how many items of revenues customers' correspondence was outstanding up to the end of Quarter 2 2019/20, compared to the same point in 2018/19, together with the position at the end of Quarter 2 2019/20 and the year outturn 2018/19.

Although outstanding numbers had increased by a total of 816 from the end of Quarter 1 2019/20 and by 606 compared to Quarter 2 2018/19, the team was now in a strong position to move forward. As previously advised to this committee

work had commenced, and was still taking place earlier in the financial year now, largely due to one of the e-forms developed which collected data sooner and in a more efficient manner. Also, vacant staff positions had now been filled which would have a positive impact over the second half of the financial year.

Improvements in the student verification process working in partnership with the Council Tax Administration Team and City of Lincoln Business Development Team were outlined at paragraph 4.9 to 4.10 of the report which had a significantly positive impact this year.

Committee were further updated that at the end of October 2019, outstanding revenues customers' correspondence figures were down to 969 for the City of Lincoln (from 1,177 at end of quarter 2) and to 502 for North Kesteven District Council (from 571 at end of quarter 2). Four new members of staff had been in post since November 2019 which had helped. The e-form verification of University of Lincoln students was down from 4,900 forms to only 400 still to be checked which was positive. It was expected also to see a further decrease as we progressed through the year.

Housing Benefit Overpayments

The table at paragraph 4.12 of the report showed outstanding Housing Benefit debt up to the end of Quarter 2 2019/20 compared to the same point in 2018/19, together with the position at the end of 2018/19.

In terms of 'in-period' collection of Housing Benefit Overpayments – i.e. the £ collected as a percentage of the £ raised was shown at the table at paragraph 4.13 d.

Therefore, collection of Housing Benefit overpayments continued to be positive, with proactive arrangements in place. Officers had also written an article for a professional publication (IRRV Benefit magazine <https://www.irrv.net/homenew/item.php?iid=26067&wid=52&did=0>) regarding the piece of work with Department for Work and Pensions to improve overpayments processes and performance, which had taken place over the last eighteen month. It was anticipated this article would appear in the December 2019 edition of this publication, which was really positive for our shared service and our commitment to both improving performance and to partnership working.

Committee were further updated that at the end of October 2019 collection of Housing Benefit overpayments continued to be positive.

Benefits Performance

The table at paragraph 5.1 of the report showed the number of outstanding benefits customers awaiting assessment up to the end Quarter 2 2019, compared to the same point in 2018/19 and the final position at the end of 2018/19.

The proactive action plan in place to reduce outstanding work levels continued to work effectively although it was recognised that the level has increased by a total of 267 from the end of Quarter 1 to the end of Quarter 2 2019/20 – however it was 769 lower than at the end of Quarter 2 2018/19. Increased leave over the summer period had impacted on performance, however this continued to be tackled positively

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

Universal Credit (UC) continued to have an impact on processing times due to the number of Universal Credit related documents requiring processing. Our Benefits Service now had a reduced number of Housing Benefit (HB) new claims to process (as some customers moved on to UC) and some of those claims that we did receive related to exempt/supported accommodation which could often take longer to gather information and process. Effectively the 'baseline' for assessing HB claims compared to 'pre-UC' rollout had potentially increased.

Positively in terms of 'direction of travel' in the week ending 6 October 2019, new claims were processed in an average of 19 and 18 days for City of Lincoln and North Kesteven respectively.

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

Committee were further updated that at the end of October 2019 there was now a downward trend moving forward working to a two week cycle for payments, with new claims being processed in an average 22 days for City of Lincoln and 20 for North Kesteven. The position had further improved as at the end of last week with claims being processed in 15 days for the City of Lincoln and 16 days for North Kesteven.

27. Revenues and Benefits - Financial Monitoring Quarter 2 2019/20

Purpose of Report

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

Decision

1. That the actual position at Quarter 2 be noted.
2. That the budget adjustments for 2019/20 as per paragraph 3.2 of the report be approved.
3. That projected budget underspend carried forward into 2020/21 to extend 2.0 Full Time Equivalent additional Council Tax Administration Officers recently appointed, for the whole of 2020/21 – approximate cost £51,934 be approved.

4. Agreement that extension of these positions would significantly assist with tackling Council Tax performance matters, as detailed in the Performance Update report on this Committee's Agenda be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

The approved budget for 2019/20 was agreed by the Revenues and Benefits Joint Committee on 19 February 2019 of £2,367,000 for the service, which had since been increased after receipt of New Grants Burdens, totalling £97,781. The budget had therefore subsequently been revised for New Burdens Grants notified to each authority in quarter 2 as set out in paragraph 3.2 of the report.

Financial performance for the first quarter of 2019/20 was detailed in Appendix 1 attached to the report. At quarter two there was an underspend against the approved budget of £26,967.

The forecast outturn for 2019/20 predicted that there would be an underspend against the approved budget of £94,190 as detailed at Appendix 2 to the report. A summary of the main forecast year-end variations against the approved budget for 2019/20 included:

- Revenues and Benefits Management: IT costs - £13,000
- Benefits: Salaries (Including Career Grades) - £(50,200)
- New Burdens Grants - £(26, 330)
- Benefits/Money Advice: Salaries - (13,800)
- Revenues Local Taxation: Agency spend - (20,600)

28. Welfare Reform and Universal Credit Update

Purpose of Report

To provide the Joint Committee with an update regarding the national and local position of welfare reform, with a specific focus on national Universal Credit.

Decision

That the report be noted and a further update be presented at the next meeting of this Committee on 5 February 2020.

Alternative Options Considered and Rejected

None.

Reason for Decision

The following updates contained within the report were noted:

- Figures published on 15 October 2019 by the Department for Works and Pensions (DWP) with statistics relevant to the period up to 12 September 2019:

- 2,476,704 households were currently receiving Universal Credit, an increase from 2,171,997 as reported at the last meeting of this Committee
- 809,288 were in employment (33%), an increase from 697,789 as reported at the last meeting of this Committee
- The Department for Work and Pensions had announced that it was developing a Private Landlord Portal, whilst this was possibly better for the landlord to apply, this appeared to potentially come away somewhat from the original concept of UC being paid direct to the tenant and budgeting accordingly.
- Recent changes as a result of the Autumn 2018 budget and January 2019 announcements, along with how these would impact customers and the respective local authority.
- Progress with our shared service's 'high level' Welfare Reform Strategy Action Plan as detailed at Appendix 2 of the report, which was fluid and flexible to respond to changes in welfare reform related priorities, changes and demands, to be monitored by Joint Committee on a quarterly basis.
- Outcomes currently being considered on the UC Advice Review undertaken by the City of Lincoln Council to review the UC support arrangements/advice provision and potential options going forward for joint working between the Universal Credit Support team, Welfare Advice team and Housing team. Committee were verbally updated that current internal UC support arrangements had now been extended to 31 March 2020, with a review of processes taking place over the remainder of the financial year 2019/20.

29. **Business Rates Update**

Purpose of Report

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

Decision

That the report be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

The following updates were noted:

Supporting Small Business Relief Scheme 2017/18-2020/21

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 did not provide support in respect of changes in reliefs, therefore, those ratepayers who lost some or all of their small business or rural rate relief may have faced very large percentage increases in bills from April 2017. Further details relating to the support provided as part of this scheme were set out in paragraph 4.1 of the report.

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

Once this relief had been announced, officers manually adjusted accounts – this had ensured those ratepayers who faced large increases as a result of the loss of small business or rural rate relief, were not left waiting for relief to be awarded. This was a mandatory relief for which the local authority was compensated for.

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

Discretionary Relief Scheme

The table at paragraph 4.2 of the report showed the number of accounts identified and the total cost of relief for the years 2017/18 to 2019/20 for comparison purposes. A review of awards for 2019/20 would take place in November 2019 and the initial banding scheme would be adjusted to allow for further relief to be awarded.

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

Retail Discount - Autumn Budget 2018

One of the announcements affecting Business Rates as part of the Autumn Budget 2018 related to high streets, recognised as crucial parts of communities and local economies. High street businesses were 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 was cutting bills by one third for retail properties with a rateable value below £51,000, benefitting up to 90% of retail properties for two years from April 2019, subject to aid status.

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 had been provided and local authorities would be reimbursed using a grant under Section 31 of the Local Government Act 2003

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

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

Recent Court of Appeal Decision – Automated Transaction Machines

Further to previous reports to this Committee on the Court of Appeal Decision regarding Automated Transaction Machines built into the front of a shop or petrol station no longer being given separate business rates bill, with a final appeal decision awaited by the Supreme Court, it was noted that this continued to have implications for local authorities. Automated Transaction Machines were now

included as an appeal threat and provision would need to be made for potential refunds. The potential impact for the City of Lincoln, North Kesteven and West Lindsey was noted as £498,739, £236,530 and £132,851 respectively.

City of Lincoln Business Rates Growth Policy - Awards

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

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

North Kesteven Business Rates Growth Policy - Awards

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

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

Non-Domestic Rates Legislation Changes-2019 and Beyond

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

It was noted that some of the legislation was still in the early stages of conception, with requirements for Ministry of Housing, Communities and Local Government to engage with billing authorities. Details of all legislation was included in **Appendix 1** of the report.

30. Discretionary Housing Payments Update

Purpose of Report

To provide the Joint Committee with an update regarding Discretionary Housing Payments (DHP) expenditure for 2019/20.

Decision

That the spend position in relation to Discretionary Housing Payment expenditure (as at October 2019) as well as the government grant figures for Discretionary Housing Payments in 2019/20 be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

Demand against 2019/20 Discretionary Housing Payment (DHP) grants remained high. City of Lincoln Council had a remaining budget of £4,213 and North Kesteven a remaining budget of £3,117. 2019/20 DHP government grants for both City of Lincoln and North Kesteven had decreased from 2018/19, but demands were higher due to welfare reforms in this new financial year – for example, due to Universal Credit (UC), the impact of which was constantly increasing.

Details of DHP spend to the end of October 2019 could be viewed at the table within paragraph 3.2 of the report.

There had been notification of 158 Council Tax support claims received and determined up to quarter 2 of 2019/20 for the City of Lincoln in relation to Universal Credit and 77 in relation to North Kesteven District Council.

The number of DHP applications for customers in receipt of Universal Credit has increased from 2018/19. This was indicative of the number of customers moving from legacy benefits to UC increasing throughout the year. Officers were also raising awareness of DHP, there was also a robust and consistent decision-making process in a highly-sensitive and complex area of administration.

Whilst the average award for DHP had reduced by £39 for City of Lincoln and £37 for North Kesteven, the total number of awards had increased by 80 for City of Lincoln and 34 for North Kesteven.

An internal DHP working group continued to review DHP procedures with the aim of ensuring that those most in need of additional help with their housing costs received appropriate support.

Each year, the DHP guidance is reviewed with recommendations made to Section 151 Officers of both City of Lincoln and North Kesteven for approval. Any changes proposed were with the aim to provide a positive impact in meeting local needs in relation to housing costs.