

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

Apologies for Absence: Councillor Nikki Dillon and Councillor Rosanne Kirk

31. Confirmation of Minutes - 25 November 2019

RESOLVED that the minutes of the meeting held on 25 November 2019 be confirmed.

32. Declarations of Interest

No declarations of interest were received.

33. Performance Update

Purpose of Report

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

Decision

That the report be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

The report provided information on revenues performance with regard to Council Tax for the City of Lincoln Council and North Kesteven District Council, together with Business Rates in respect of the City of Lincoln Council, North Kesteven District Council and West Lindsey District Council. This provided figures for the current financial year 2019/20 up to the end of quarter three compared to the same point in 2018/19.

It was reported that Council Tax in-year collection was down for both the City of Lincoln and North Kesteven by 0.44% and 0.48% respectively. The latest figures up to the end of January 2020 indicated that the City of Lincoln was down by 0.46% and North Kesteven was down by 0.53%. However, it was noted that the net collectible debit had increased for both authorities.

With regard to Business Rates, in-year collection was down for the City of Lincoln, North Kesteven and West Lindsey by 2.84%, 0.71% and 0.56% respectively. A reduction in 2.84% for the City of Lincoln equated to £1,276,089 and a key reason for this was that one business had overpaid their account by more than £450,000 and was refunded in February 2019. The latest figures up to the end of January 2020 were reported as 2.52% for the City of Lincoln, 0.3% for North Kesteven and 0.25% for West Lindsey, reflecting a slightly more positive

position. It was noted that the total net liability for all three authorities had increased.

Further information relating to outstanding revenues customers and housing benefit overpayments were set out in the report. The latest figures up to 4 February 2020 indicated that the total amount of customers outstanding was 348, 235 of which were from the City of Lincoln and 113 from North Kesteven. The oldest case in the system was from 16 January 2020. Significant progress had therefore been made taking into account the total number of outstanding customers at the end of 2018/19 equated to 638.

In terms of benefits performance, the table at paragraph 5.1 of the report highlighted the number of outstanding benefits customers awaiting assessment up to the end of quarter 3 for 2019/20, compared to the same point in 2018/19. Paragraph 5.2 of the report set out the same information in respect of housing benefit average processing times. The latest figures as at the end of January 2020 showed the City of Lincoln performing at 21.6 days and North Kesteven 20.02 days.

It was noted that Universal Credit continued to have an impact on processing times due to the number of Universal Credit related documents requiring processing. Prompt processing of claims remained vital, but of equal importance was the accuracy of processing. The table at 5.3 of the report set out the outcomes of claims checked under the service's quality checking regime compared to 2018/19.

Councillor Ray Cucksey commended all areas of improvement that had been made and was hopeful that this would remain the case. He asked for an update on the level of arrears associated with business rates. It was noted that this information was set out in Appendix 1 of the report and that the direction of travel was positive.

Councillor David Suiter sought clarification as to why people were waiting in excess of twenty days for their housing benefit payments, which could sometimes result in rent arrears. It was reported that one of the main reasons for any delays related to customers not providing the team with necessary information and that in some cases this did ultimately result in delays. The team did work hard to ensure that customers received their entitlement as quickly as possible. It also provided other means of assistance such as through the discretionary housing payment scheme which included provision for rent deposits to help customers with delays in housing benefit payments.

34. Revenues and Benefits - Financial Monitoring Quarter 3 2019/20

Purpose of Report

To provide the Joint Committee with the third quarter's financial performance for the Revenues and Benefits Shared Service for 2019/20.

Decision

That the budget adjustments for 2019/20 as set out in paragraph 3.2 of the report be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

The approved budget for 2019/20 was agreed by the Joint Committee on 19 February 2019 and had been set as £2,367,000 for the Shared Service. This had since increased after receipt of New Burdens Grants, totalling £135,195. The budget had subsequently been further revised for additional New Burdens Grants notified to each authority in quarter three, as set out in paragraph 3.2 of the report.

Financial performance for the third quarter of 2019/20 was detailed in Appendix 1 of the report and it was noted that there was an underspend against the approved budget of £69,435.

The forecast outturn for 2019/20 predicted that there would be an underspend against the approved budget of £82,889 as detailed in Appendix 2 of the report.

A summary of the main forecast year-end variations against the approved budget were set out in the report and included IT costs, salaries, New Burdens Grants, non-government grants, agency spend, repairs and maintenance and consultant fees.

It was reported that the team had been very appreciative of the Joint Committee's decision to carry forward £51,934 of the previous year's underspend to fund two full time equivalent Council Tax Administrator posts for a further 12 months on fixed term contracts, which had made a significant difference.

35. Revenues and Benefits - Base Budget Forecast 2020/21

Purpose of Report

To present the Base Budget Forecast for the Revenues and Benefits Shared Service for 2020/21.

Decision

That the Base Budget Forecast for the Revenues and Benefits Shared Service for 2020/21 be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

The Base Budget Forecast for 2020/21 was included at Appendix 1 to the report, with a full reconciliation to the previous Base Budget Forecast outlined in Appendix 2, and totalled £2,426,630.

A full review of each line of the budget had taken place to ensure a fair representation of the activity of the service. This had led to budgets being transferred between different shared service functions but had not resulted in either authority significantly paying more.

36. 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

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 each of the three partner authorities was set out in the table at paragraph 4.1 of the report.

It was reported that although the number of businesses awarded relief had 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 tables at paragraph 4.2 of the report outlined the number of accounts identified and the total cost of relief for comparison purposes over the last three years for each of the partner authorities.

A review of the awards for 2019/20 had taken place for West Lindsey and additional awards had been made. For North Kesteven and the City of Lincoln these reviews had taken place throughout January 2020 with reliefs awarded onto accounts before new bills were issued for 2020/21.

Retail Discount – Autumn Budget 2018

Retail relief for 2019/20 had been awarded as reflected in the table at paragraph 4.3 of the report for each of the partner authorities.

Outstanding Court of Appeal Decisions – Automated Transaction Machines

This continued to have implications for local authorities but no new information had been made available since the previous meeting of the Joint Committee.

City of Lincoln Business Rates Growth Policy – Awards

Since the introduction of this Policy on 1 April 2019, four awards had been made to businesses at the value of £55,123.

North Kesteven Business Rates Growth Policy – Awards

Since the introduction of this Policy in 2016, six businesses had been awarded this relief totalling £411,230.

A Ministerial announcement had been made following the Queen's Speech which advised local authorities to include the following provisions in accounts prior to billing:

- an increase in the retail business rate discount from 33% to 50%, with this discount extending to cinemas and music venues;
- the introduction of an additional £1,000 discount for pubs with a rateable value of less than £100,000;
- the extension of the local newspaper discount with an additional £1,500.

Councillor Ray Cucksey queried why North Kesteven's uptake of the Supporting Small Business Relief Scheme was so low and whether there was a specific reason for this. It was reported that businesses had simply not responded to positive and proactive approaches made by the team. The Head of Service agreed to look into this matter in further detail to establish whether there was a particular reason as to why business were not engaging.

Councillor David Suiter was keen for businesses to claim this entitlement and queried whether they understood that this was genuine as opposed to a scam. The Head of Service explained that a letter would initially be sent which may be followed up by a telephone call from the team. The team would not have the resources available to undertake physical visits to individual businesses, although officers through other routine duties could make businesses aware of the relief scheme as and when they came into contact with them.

It was noted that the relief in some cases reflected relatively low value claims, which may be another reason why some businesses chose not to engage. A suggestion was made that the scheme be highlighted through local business organisations such as the Chamber of Commerce and Business Improvement District Board, as well as highlighted through social media.

37. Discretionary Housing Payments Update

Purpose of Report

To update the Joint Committee regarding Discretionary Housing Payments expenditure for 2019/20.

Decision

That the report be noted and a report be presented to the next meeting of the Joint Committee to confirm grant allocations for 2020/21.

Alternative Options Considered and Rejected

None.

Reason for Decision

Demand against 2019/20 discretionary housing payment grants remained high. The City of Lincoln had increased its budget by £27,000 and North Kesteven by £15,000 from existing cash-limited budgets to help meet these demands. 2019/20 discretionary housing payment central government grants for both the City of Lincoln and North Kesteven had decreased from 2018/19, but demands were higher due to welfare reforms in this new financial year.

The impact of Universal Credit in the City of Lincoln and North Kesteven was constantly increasing and would continue to do so as Universal Credit was rolled out further. The next stage of Universal Credit rollout was anticipated to begin in summer 2020, with a managed migration process for all remaining legacy benefit customers.

The table at paragraph 3.2 of the report provided an update on discretionary housing payment spend up to the end of December 2019, with the table at paragraph 3.3 of the report breaking down the number of applications received and determined up to quarter three 2019/20. The number of applications for customers in receipt of Universal Credit had increased from 2018/19, which was indicative of the number of customers moving from legacy benefits to Universal Credit increasing throughout the year.

Paragraph 3.5 of the report highlighted the grant figures for the City of Lincoln and North Kesteven, also showing recent previous year grants for comparative purposes, highlighting that grants had decreased as demands on discretionary housing payment requirements continued to increase.

Councillor Ray Cucksey reflected on decreases in grant funding and it was agreed that a report be presented to the next meeting to confirm the 2020/21 allocation. The Head of Service provided the Joint Committee with a reassurance that this would be monitored extremely closely. It was suggested that the Executives of the two partner authorities gave due consideration to the way in which any potential underfunding was managed.

38. Welfare Reform and Universal Credit Update

Purpose of Report

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

Decision

That the report be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

The report provided the Joint Committee with national statistics and latest figures published by the Department for Work and Pensions in respect of households in receipt of Universal Credit.

Appendix 1 of the report showed all recent announcements from the Autumn Budget 2018 to January 2020, along with updates as to how these would impact customers and the local authority.

Some announcements regarding a Severe Disability Premium compensation scheme, gateway closure and pension increase had been made since the last meeting of this Committee. Officers had supported customers in maximising their income, reviewing deductions due to under occupation and offering support due to other needs identified. 231 customers were directly contacted, with a positive result for 64 customers to date.

Progress with the Shared Service's high level Welfare Reform Strategy Action Plan was set out in Appendix 2 of the report and was purposely designed to be fluid and flexible to respond to changes in welfare reform related priorities, changes and demands.

Councillor Ray Cucksey made reference to the Severe Disability Premium pilot scheme, which he said appeared to be very successful. The Head of Service agreed and said that it was proposed to roll this out to North Kesteven tenants.

39. Revenues and Benefits Shared Service Business Plan 2020/21

Purpose of Report

To provide the Joint Committee with an opportunity to consider the Revenues and Benefits Shared Service Business Plan for 2020/21.

Decision

That the Revenues and Benefits Shared Service Business Plan 2020/21 be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

The Revenues and Benefits Shared Service Business Plan for the financial year 2020/21 was attached at Appendix 1 to the report and featured the following:

- key achievements in 2019/20;
- savings in 2019/20;
- key activities for 2020/21;
- strategic priority schemes 2020/21;

- Towards Financial Sustainability projects 2020/21;
- key risks;
- performance management;
- safeguarding;
- equality actions;
- working in neighbourhoods;
- workforce development;
- social value;
- data protection and information governance.

It was reported that 2019/20 had been another very positive year for the Shared Service with most areas of performance progressing well, continued implementation and embedment of integrated e-forms, as well as a whole host of improvement and partnership projects. These notable achievements had been carried out under the significant environment of ongoing demands placed on the service from both national and local challenges, such as welfare reform and the current economic climate.

The plan for 2020/21 continued to look at a range of key initiatives, with business rates retention, e-services, welfare reforms and standards of performance were still crucial areas for the new financial year. The Shared Service had also started to increase its focus on seeking partnership working opportunities and new areas of work which would fit within the service's wider remit, as well as successfully maintaining current arrangements, some of which had agreements due to be reviewed in advance of 2021/22.

Councillor Ray Cucksey commended an excellent report which highlighted the current position with regard to where the Shared Service was going and what it was achieving.

Councillor Ric Metcalfe praised the leadership of Martin Walmsley, Head of the Shared Service, and the commitment of his team. He had seen steady progress made since the introduction of the Shared Service and said that it was a worthwhile reminder that the team's work impacted favourably on a lot of people's lives, stating that this was a hugely important service. Councillor Cucksey agreed with these sentiments and highlighted that the Shared Service had gone through some significant challenges since it was established, including the rollout of Universal Credit in Lincoln and Sleaford, all of which had been undertaken and implemented relatively well. He added that the team in place had enabled the Shared Service to deliver these important changes and placed on record his thanks on behalf of the Joint Committee.

40. 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.

This item was considered in private as it was likely to disclose exempt information, as defined in paragraph 3 of Schedule 12A of the Local Government Act 1972. No representations had been received in relation to the proposal to consider this item in private.

41. **Partnerships Update**

Purpose of Report

To provide the Joint Committee with an update regarding the exploration of further partnership opportunities.

Decision

That the report be noted and an update be supported to the next meeting.

Alternative Options Considered and Rejected

None.

Reason for Decision

Details relating to this item were set out in the body of the exempt report.