



SHARED REVENUES AND BENEFITS JOINT COMMITTEE

Tuesday, 23 February 2021

2.00 pm

Virtual Meeting

Membership:	Councillors Ray Cucksey (North Kesteven District Council), Sally Tarry (North Kesteven District Council), Rosanne Kirk and Ric Metcalfe (City of Lincoln Council)
Substitute members:	Councillors Ian Carrington (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)

Virtual Meeting

To join this virtual meeting please use the following link:

<https://zoom.us/j/93898237315?pwd=UE1UTzNYMWikVzFKTEtyd3EvZ0JyUT09>

It may be necessary to enter the following passcode and meeting ID:

Passcode: **048095**

Meeting ID: **938 9823 7315**

Alternatively, you can join the meeting via telephone by calling **0330 088 5830** and quoting the above passcode and meeting ID, when instructed.

AGENDA

SECTION A	Page(s)
1. Confirmation of Minutes - 26 November 2020	3 - 10
2. Declarations of Interest	

Please note that, in accordance with the Members' Code of Conduct, when declaring interests members must disclose the existence and nature of the interest, and whether it is a disclosable pecuniary interest (DPI) or personal and/or pecuniary.

3. Covid-19 Impacts on Revenues and Benefits Service	11 - 16
4. Performance Update	17 - 24
5. Revenues and Benefits - Financial Monitoring Quarter 3 2020/21	25 - 30
6. Revenues and Benefits - Base Budget Forecast 2021/22	31 - 34
7. Business Rates Update	35 - 42
8. Welfare Reform, Test and Trace Support Payments, Discretionary Housing Payment - Update	43 - 50

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

Apologies for Absence: Councillor Rosanne Kirk and Philip Roberts

49. Confirmation of Minutes - 10 September 2020

RESOLVED that the minutes of the meeting held on 10 September 2020 be confirmed.

50. Declarations of Interest

No declarations of interest were received.

51. Covid-19 Impacts on Revenues and Benefits Service

Purpose of Report

To provide Members with an update regarding Covid-19 impacts on the Revenues and Benefits Shared Service.

Decision

That the report be noted and an update would be presented at the 23rd February 2021 committee.

Alternative Options Considered and Rejected

None.

Reason for Decision

The report outlined the key impacts on the shared service following the first 'lockdown' in the United Kingdom.

It was reported that the impacts of workload and priorities had been significant. In terms of collection and recovery of monies due to the Council, levels of benefit and Council Tax Support claims, requests for data extracts from the Revenues and Benefits ICT system, delivery of Test and Trace Support Payments, as well as being central to this assessment and delivery of grants and reliefs to qualifying businesses.

In terms of staffing, all members of the Revenues and Benefits were mobilised to work from home during a two-week period during March 2020. Around one-quarter of the team already had working from home IT facilities in place, mainly for ad hoc purposes and specific tasks, so the concept was proven – however, the large scale deployment of staff to work from home (not only within the shared service, but across the partner Councils as a whole too) had been unprecedented.

It was reported that staff wellbeing continued to be at the heart of the response to the Covid-19 pandemic and regular liaisons with all teams were carried out as explained in more detail within the report.

In regard to Business Rates, there had been a 33% increase in telephone calls and 10% in incoming correspondence (in comparison to October 2019). Council Tax had increased by 43% in e-forms and 12% increase in incoming emails (in comparison to August-October 2019). Benefits had received a 42% increase in Council Tax Support claims in Quarters 1 and 2 in 2020/21 (compared to Quarters 1 and 2 2019/20) and a 96% increase in Universal Credit related documents in Quarters 1 and 2 2020/21 (compared to Quarters 1 and 2 2019/20).

52. 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 and an update would be presented at the next meeting of this committee on 23rd February 2021.

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 year 2020/21 up to the end of October 2020, including annual outturn Revenues and Benefits performance for 2019/20.

It was reported that Council Tax, up to the end of October 2020, in-year collection was down for both the City of Lincoln and North Kesteven by 2.49% and 2.38% respectively, compared to the same point in 2019.

In regard to Business Rates, up to the end of October 2020 (compared to the end of October 2019), 2020/21 in-year collection for Lincoln and North Kesteven went up by 3.94% and 1.55% respectively. However, these figures remained somewhat 'skewed' by the new reliefs available this year in light of the new measures announced as part of the government's Covid-19 response. For Lincoln there was still £5.5m to be collected as at the end of October 2020, with the equivalent figure for North Kesteven being £5.9m. West Lindsey in-year collection was down by 2.54% at the end of October 2020 - again, net liability was greatly reduced due to reliefs applied – there remained £1.7m still to be collected in respect of 2020/21.

Further information relating to outstanding revenues customers and housing benefit overpayments were set out in the report. The latest figures as at the end

of October 2020 indicated that outstanding revenues stood at a total of 845 of which 621 were from the City of Lincoln and 224 were from North Kesteven.

In terms of benefits performance, the table at paragraph 5.2 of the report highlighted the number of outstanding benefits customers awaiting assessment at the end of each financial year since the formation of the shared service. Paragraph 5.3 of the report set out the same information in respect of housing benefit average processing times. The latest figures as at the end of October 2020 showed the City of Lincoln performing at 16.16 days and North Kesteven 15.38 days.

53. Revenue and Benefits - Financial Monitoring Quarter 2 2020/21

Purpose of Report

To provide the Joint Committee with the second quarter's financial performance for the Revenues and Benefits Shared Service for 2020/21.

Decision

That the budget adjustments for 2020/21 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 2020/21 was agreed by the Joint Committee on 5th February 2020 and had been set as £2,426,630 for the Shared Service which had since been increased by the agreed carry forward budget from 2019/20 totalling £51,940.

Financial performance for the first quarter of 2020/21 was detailed in Appendix 1 of the report and it was noted that there was an overspend against the approved budget of £13,987.

The forecast outturn for 2020/21 predicted that there would be an overspend against the approved budget of £34,462 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 Staffing, Overtime, IT costs and New Burdens Grants.

54. 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:

Expanded Retail Discount

In response to Covid-19, in the Budget on 11 March 2020, Government announced that it would increase the discount for 2020/21 to 100% and extend it to include the leisure and hospitality sectors. On 23 March 2020, further measures were announced which resulted in the relief being applied to occupied retail, leisure and hospitality properties in the year 2020/21, as well as removing the rateable value limit.

Nursery Discount

In response to Covid-19, Government announced a business rates Nursery Discount on 18 March 2020. The relief would be applied to hereditaments occupied by providers on Ofsted's Early Years Register and wholly or mainly used for the provision of the Early Years Foundation Stage and were subject to businesses rates in the year 2020/21.

Support for Businesses – Lockdown Grants

On 31 October 2020, the Government announced new national restrictions which required certain businesses and venues to close - or restrict how they provide goods and services - from 5 November to 2 December 2020. These were:

- Local Restrictions Support Grant (LRSB); and
- Additional Restrictions Grant (ARG).

Local Authorities would be issued funding allocations that would be calculated using the Valuation Office Agency (VOA) data based on the categories of businesses relevant to the closures imposed by the Government.

Local Restrictions Support Grant

The support would take the form of a grant funding scheme in Financial Year 2020-2021 and would be for the period of the current lockdown period only (5 November 2020 to 2 December 2020). Local Authorities would be provided with funding for businesses that were required to close because of the formal publication of local restrictions guidance by central Government.

The level of funding for this grant was as follows:

- City of Lincoln - £2,181,564
- North Kesteven - £1,311,462

Additional Restrictions Grant

The support would take the form of a funding scheme in Financial Year 2020-2021 and could be used across Financial Years 20/21 and 21/22. Local Authorities would receive a one-off lump sum payment amounting to £20 per head of population. Local Authorities were only eligible to receive funding once.

The level of funding was as follows:

- City of Lincoln - £1,985,980
- North Kesteven - £2,338,300

It was reported that Local authorities determined how much funding to provide to businesses and exactly which businesses to target.

ATM Appeal Threat

On Wednesday 20th May 2020 the Supreme Court gave its decision on whether Automatic Teller Machines (ATMs) accessed from inside or outside a host retail property should be separately assessed.

The court dismissed the appeals, stating that internal and external ATMs were to be treated the same and should not be separately assessed. As a result, a significant number of related appeal cases were now being settled following the Supreme Court decision. The levels of refunds for each authority was outlined in 9.2 of the report.

55. Welfare Reform, Covid Support and Discretionary Housing Payments

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 the local advice referral process, COVID-19 support and Discretionary Housing Payments (DHP)

Decision

That the report be noted and an update would be presented at the next meeting of this committee.

Alternative Options Considered and Rejected

None.

Reason for Decision

This report provided Joint Committee with an update on national Universal Credit changes; including a reference to the national statistics and national legislation changes.

Appendix 1 of the report showed the less complex cases received in order to free up the Welfare Team for the more complex cases. Universal Credit, Loans, Child Benefit and Discretionary Housing Payments (DHP) were a few examples of this.

As a result of Covid-19, businesses had to close resulting in people's incomes being significantly affected. The Coronavirus Jobs Retention Scheme, the Self Employed Income Scheme, Increased Universal Credit and Working Tax Credit

as well as changes to LHA rates (April 19 – March 20) and Minimum Income Floor (MIF) were a few of the schemes explained and outlined at Appendix 2

Also outlined in Appendix 2 were the national support measures including what people would be entitled to if affected by Covid-19. This included, Statutory Sick Pay (SMP), 'Waiting days' removed, Employment and Support Allowance (ESA), Medical Assessments and Jobcentre Appointments, Suspension of DWP Recovery of Certain Debts.

A Test and Trace Support Payment Scheme was available and the eligibility for this was also explained with Appendix 2 including the total number of applications received from the City of Lincoln and North Kesteven.

56. Revenues and Benefits Shared Service Business Plan 2021/22

Purpose of Report

To provide the Joint Committee with an opportunity to consider the Revenues and Benefits Shared Service Business Plan for 2021/22

Decision

That the Revenues and Benefits Shared Service Business Plan 2021/22 be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

The Revenues and Benefits Shared Service Business Plan for the financial year 2021/22 was attached at Appendix 1 to the report and featured the following:

- Key Achievements in 2020/21;
- Savings in 2020/21;
- Key Activities for 2021/22;
- Strategic Priority Schemes 2021/22;
- Towards Financial Sustainability projects 2021/22;
- Key Risks;
- Performance Management;
- Safeguarding;
- Equality Actions;
- Working in Neighbourhoods;
- Workforce Development;
- Social Value;
- Data Protection and Information Governance.

It was reported that the year 2020/21 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. However, the impacts of Covid-19 have been significant and couldn't be underestimated.

Delivery of the Test and Trace Support Payments project from September 2020 to January 2021 was a key project to help people cope with changes in financial circumstances due to needing to self-isolate. Working under the Head of Shared Revenues and Benefits, a cross-Councils project team came together with members from a range of service areas, to proactively develop processes, an online application form as well as a policy for discretionary scheme cases. This was a great example of a holistic approach to service delivery, taking on board a range of expertise and ideas.

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 and congratulated Martin and his team on what must have been a difficult year with so many challenges faced.

Councillor Ric Metcalfe echoed the words of Councillor Cucksey and highlighted how important the service was to the Council and that all the hard work after a difficult year was appreciated.

This page is intentionally blank.

SUBJECT: COVID-19 IMPACTS ON REVENUES AND BENEFITS SERVICE

REPORT BY: CHIEF EXECUTIVE & TOWN CLERK

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

1. Purpose of Report

- 1.1 To provide Members with an update regarding Covid-19 impacts on the Revenues and Benefits Shared Service.

2. Executive Summary

- 2.1 The international Covid-19 pandemic has clearly had a significant impact on a whole range of Council services, and continues to do so, – with Revenues and Benefits being no exception. This report sets out key impacts on the shared service.

3. Background

- 3.1 The first national ‘lockdown’ in the United Kingdom, announced on 23rd March 2020, resulted in the remaining members of the Revenues and Benefits shared service team being mobilised to work from home – with all IT facilities, - i.e. computers and telephones. Further mobilisation of homeworking had already commenced the week prior, as officers identified in the more vulnerable categories were addressed earlier. Some initial ‘teething problems’ were soon dealt with and this critical service has been operating successfully. Telephony has also been upgraded in some areas from the initial solution, to ensure an appropriate response for customer telephone enquiries is in place.
- 3.2 Regarding workload and priorities, the impacts have been significant – in terms of collection and recovery of monies due to the Council, levels of benefit and Council Tax Support claims, requests for data extracts from the Revenues and Benefits ICT system, delivery of Test and Trace Support Payments, Winter Grants Scheme payments, as well as being central to the assessment and delivery of grants and reliefs to qualifying businesses.

4. Staffing Matters

- 4.1 All members of the Revenues and Benefits Shared Service were mobilised to work from home during a two-week period during March 2020. Around one-quarter of the team already had working from home IT facilities in place, mainly for ad hoc purposes and specific tasks, so the concept was proven – however, the large scale deployment of staff to work from home (not only within the shared service, but across the partner Councils as a whole too) has been unprecedented.

- 4.2 The rollout of ICT provision for the whole of the shared service has successfully considered and delivered:
- Provision of ICT hardware suitable for secure homeworking, which also meets standards as required through the Department for Work and Pensions (DWP) Memorandum of Understanding with regard to access to sensitive and confidential DWP data.
 - Telephone services upgrade from initial solution, better enabling taking higher volumes of calls – for example, when Council Tax reminders are issued.
- 4.3 Staff wellbeing continues to be at the heart of the response to the Covid-19 pandemic, by partner Councils. In terms of Revenues and Benefits specifically, communications include;
- At least weekly catch-up Teams calls between Head of Shared Revenues and Benefits, and Revenues and Benefits Manager;
 - Regular catch-up calls with Team Leaders;
 - Regular catch-up calls with team members;
 - Revenues and Benefits Management Team WhatsApp group;
 - Individual teams' WhatsApp groups and Teams meetings.

In addition to this, 'all team member' Revenues and Benefits staff briefings were delivered by the Head of Shared Revenues and Benefits on 22nd September 2020 and 9th December 2020 (through 4 x 45-minute sessions on each day). The Head of Shared Revenues and Benefits has regularly delivered such sessions since the shared service commenced, however delivering these briefings via Microsoft Teams was new – but has been a real success, with positive attendance and engagement from team members. The briefings set out some key messages around:

- Performance;
- Impacts on workload due to Covid-19;
- Future ways of working;
- Communication and wellbeing.

The next round of staff briefings will take place in April 2021, after the annual billing and benefits uprating processes. However, should key messages need to be delivered sooner, briefing sessions will be brought forward.

5. Impacts – Service demands and Financial impacts

- 5.1 In 2020/21, financial impacts on partner Councils, have been (*information as at 18th January 2021*):

Council Tax:

		Lincoln	North Kesteven
Payments received	Comparison to 2019/20	10,994 less	8,753 less
Payments value (£)		£847,679 reduction	£709,819 reduction
Deferrals no.	Since 01.04.20	638	1,181
Deferrals value (£)		£135,429	£296,587
Direct debits received	Comparison to 2019/20	5,275 less	1,328 more
Direct debit value (£)		£289,436 more	£1,965,956 more

CTS claims received (increase)	Since 01.04.20	+461	+223
CTS additional cost (£)		+£369,361	+£261,428
Collection rate %	Actual – as at 31.12.20	76.20%	83.99%
Difference %	Comparison to 2019/20	-2.83%	-1.47%
Collection rate difference £	Comparison to 2019/20	-£1,193,884	-£1,010,609
CTS hardship to be awarded	As at 31.12.20	£826,138	£304,371
% of CTS against net liability	As at 31.12.20	1.81%	0.44%

Business Rates:

		COL	NKDC	WLDC
Payments received	Comparison to 2019/20	2,816 less	1,668 less	1,023 less
Payments value (£)		£10,279,697 reduction	£1,965,956 reduction	£2,450,883 reduction
Deferrals no	Since 01.04.20	9	4	9
Deferrals value (£)		£14,377	£14,233	£29,854
Direct debits received	Comparison to 2019/20	6,825 less	3,459 less	2,602 less
Direct debit value (£)		£11,430,858 reduction	£4,431,469 reduction	£3,174,757 reduction
Collection rate %	Actual as at 31.10.20	90.42%	83.51%	81.20%
Difference %	Comparison to 2019/20	+7.03%	-0.78%	-1.01%
Net liability (Reduction due to Expanded Retail Discount + nursery awards)	Actual	£19,559,436 (-£25,995,768)	£20,258,238 (-£8,622,186)	£11,711,925 (-£6,716,907)

5.2 In addition to the above, significant increases in demands on the shared service have included:

- Council Tax:
Comparing Quarter 3 2020/21 (to Quarter 3 2019/20):
 - 37% increase in e-forms;
 - 13% increase in incoming e-mails;
 - 14% reduction in telephone calls;
 - 3% reduction in incoming post.
- Business Rates:
Comparing Quarter 3 2020/21 (to Quarter 3 2019/20):
 - 37% increase in customer contact by e-mail or post;
 - Increase in telephone calls by 34% (peaks and troughs, around closedown announcements).
- Benefits:
 - 55% increase in Council Tax Support claims and changes in 3 2020/21 (compared to Quarters 3 2019/20);
 - 75% increase in Universal Credit related documents in Quarter 3 2020/21 (compared to Quarter 3 2019/20).

- 5.3 Collection and recovery of monies due to the Council has clearly been more challenging in 2020/21, although reminders are now being issued appropriately to taxpayers and ratepayers, and two court dates have taken place (in December 2020 and January 2021). The court has determined there will be no hearings for our Revenues Service in February and March 2021, meaning liability orders cannot be requested during this period, which temporarily restricts recovery options.
- 5.4 Despite all these additional challenges and demands on the shared service, performance has generally continue to hold up relatively well in most areas, so far. Moving forward it is recognised cumulative effects from Covid-19 are likely to impact on performance in the coming months, and potentially even years. Performance data is set out in a separate report to today's Committee.

6. Strategic Priorities

- 6.1 Both City of Lincoln and North Kesteven have a number of strategic priorities. Three that have an impact on the Revenues and Benefits Service are:-
- Lincoln: "Let's reduce all kinds of inequality".
 - North Kesteven: "Our Communities", "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 as a result of 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 information as set out in this report.
- 9.2 Request a further update at the 22nd June 2021 meeting of this Committee.

Is this a key decision?

~~Yes~~/No

Do the exempt information categories apply?

~~Yes~~/No

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

~~Yes~~/No

How many appendices does the report contain?

None

List of Background Papers:

None

Lead Officer:

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

This page is intentionally blank.

SUBJECT: PERFORMANCE UPDATE

DIRECTORATE: CHIEF EXECUTIVE

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

1. Purpose of Report

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

2. Executive Summary

2.1 This report provides an update on Revenues and Benefits performance up to the end of Quarter 3 2020/21.

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. However, the Covid-19 global pandemic has understandably impacted on some areas of performance, - these impacts are likely to continue for many more months.

3. Background

3.1 At the 26th November 2020 meeting of this Committee, a report was presented detailing Revenues and Benefits performance up to the end of October 2020.

3.2 Performance is reported to this Committee on a quarterly basis.

3.3 Performance continues to be impacted by Covid-19 – a separate report on the impacts on Revenues and Benefits is also included on today's Committee Agenda. Officers have proactively responded to Covid-19, including;

- Reduced levels of recovery action being taken in the first half of 2020/21 – only courts dates for summoned monies have been available (on 16th December 2020 and 21st January 2021);
- Deferrals of Council Tax and Business Rates payments being permitted;
- Processing a significant increase in Housing Benefit and Council Tax Support claims, and Universal Credit related documents;
- Assessment and award of new government reliefs and grants.

Performance is likely to be impacted for many more months due to the cumulative effects of Covid-19 on household and business incomes.

4. Revenues Performance

4.1 Council Tax

4.2 Up to the end of Quarter 3 2020/21, in-year collection for Lincoln and North Kesteven is down by 2.83% and 1.47% respectively, compared to the same point in 2019/20. Due to the financial impacts of Covid-19 on residents' incomes, officers have been allowing deferrals of payments in relevant circumstances, although this means that these deferred monies will still need to be collected in the coming months. Therefore in the current climate, these reduced levels of collection are not unexpected. The table below shows how in-year collection has compared quarter-on-quarter in 2020/21, in comparison to equivalent quarters in 2019/20. Whilst every effort is being made to collect monies due, in the current climate this is a real challenge – and, with the latest Covid-19 lockdown – is unlikely to improve in the immediate future.

	Quarter 1	Quarter 2	Quarter 3
City of Lincoln	Down by 0.81%	Down by 2.34%	Down by 2.83%
North Kesteven	Down by 0.91%	Down by 1.41%	Down by 1.47%

4.3 Net collectable debit for 2020/21 (compared to 2019/20) has increased by £1.3m for Lincoln and £2.8m for North Kesteven.

4.4 Business Rates

4.5 Up to the end of Quarter 3 2020/21 (compared to the end of Quarter 2 2019/20), 2020/21 in-year collection for Lincoln is up by 7.03%, but down by 0.78% and 1.01% for North Kesteven and West Lindsey, respectively. The Lincoln figure in particular by the demographic of business types, remains somewhat 'skewed' by the new reliefs available this year in light of the new measures announced as part of the government's Covid-19 response, predominantly the Expanded Retail Discount.

4.6 The table below shows how in-year collection has compared quarter-on-quarter in 2020/21, in comparison to equivalent quarters in 2019/20. With the third national lockdown now in place and the subsequent impact on businesses, it is anticipated that the final quarter of this financial year will continue to provide some real challenges in this area of collection.

	Quarter 1	Quarter 2	Quarter 3
City of Lincoln	Up by 6.82%	Up by 5.57%	Up by 7.03%
North Kesteven	Up by 3.12%	Up by 1.70%	Down by 0.78%
West Lindsey	Down by 0.55%	Down by 2.63%	Down by 1.01%

4.7 Outstanding Revenues Customers

4.8 As at the end of Quarter 3 2020/21, outstanding Revenues customers stood at a total of 1,309 (split Lincoln 936, North Kesteven 373). Although this figure has increased in recent months, this is as a direct result of the first and second Covid-19 national lockdowns ending and house moves increasing resulting in increased enquiries to the Revenues Team.

4.9 Housing Benefit Overpayments

4.10 As at the end of Quarter 3 2020/21, in-year collection rates and outstanding monies are as shown in the table below:

End Quarter 3 2020/21	City of Lincoln	North Kesteven
In-year collection rate	158.66%	123.51%
Amount collected	£771,141	£283,661
Outstanding Housing Benefit overpayments debt	£3,257,097	£1,442,859

4.11 Performance in this area continues to be positive – outstanding debt continues to decrease and in-period collection exceeds 100% for both partner Councils.

5. Benefits Performance

5.1 As at the end of Quarter 3 2020/21, there are 2,170 Benefits customers outstanding (awaiting assessment) – split Lincoln 1,835 – oldest item dated 4th December 2020, North Kesteven 335 – oldest item dated 20th December 2020). However, the overall position has already improved markedly in 2021 so far, and as at writing this report (on 22nd January 2021), outstanding work has now improved to:

- Lincoln: 1,587 (oldest item dated 2nd January 2021);
- North Kesteven: 316 (oldest item dated 2nd January 2021).

The ongoing impacts of Covid-19 from mid-end March 2020 cannot be underestimated – with a significant increase in benefit claims over the course of the year, and the number of Universal Credit (UC) documents requiring processing continues to have a real impact.

5.2 Despite the increase in claims, Benefit claims continue to be processed on a timely basis – as shown in the table below.

End Quarter 3 2020/21	City of Lincoln	North Kesteven
New Claims – average time to process	16.72 days	14.98 days
	<i>(End Quarter 3 2019/20</i>	<i>(End Quarter 3 2019/20</i>

	<i>21.73 days)</i>	<i>20.19 days)</i>
Changes of Circumstance – average time to process	4.27 days <i>(End Quarter 3 2019/20 5.84 days)</i>	3.10 days <i>(End Quarter 3 2019/20 4.58 days)</i>

5.3 The importance in processing Benefits claims accurately remains of paramount importance, – i.e. ‘getting it right, first time’. In 2020/21, up to the end of Quarter 3 2020/21, City of Lincoln’s ‘right first time’ assessment of cases checked is 92% (300 out of 325) and for North Kesteven 96% (514/535).

These checks are in addition to those carried out through the checks required to be carried out under the requirements of the annual Housing Benefit Subsidy claims.

6. Welfare and Benefits Advice

6.2 Providing benefits and money advice continues to be key, with a team of dedicated and knowledgeable officers providing invaluable support to residents of Lincoln. In the third quarter of 2020/21, the team has achieved the following:

Quarter 3 2020/21	City of Lincoln	North Kesteven
Advice provided enabling weekly value of additional benefits	£5,181	£2,399
Advice provided enabling lump sum award of additional benefits	£67,186	£35,029
No. of customers to whom help provided	1,318	227
No. money advice referrals	30	17

7. Strategic Priorities

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

- Lincoln: “Let’s reduce all kinds of inequality”.
- North Kesteven: “Our Communities”, “Our Economy”.

7.2 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.

8. Organisational Impacts

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

9. Risk Implications

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

10. Recommendations

- 10.1 Note the performance information as set out in this report.
- 10.2 Note that a performance update will be presented at the next meeting of this committee on 22nd June 2021.

Is this a key decision? Yes/No

Do the exempt information categories apply? Yes/No

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

How many appendices does the report contain? Appendix 1: Performance Data to end Quarter 3 2020/21

List of Background Papers: None

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

This page is intentionally blank.

Revenues and Benefits Joint Committee 23rd February 2021
 Performance Update
 Appendix 1: Performance Data to end Quarter 3 2020/21

<u>Measure</u>	<u>End Quarter 3 2020</u>		<u>2019/20 Annual Outturn</u>	
	NK	COL	NK	COL
Local Authority				
Council Tax collection (cumulative)	83.99%	76.20%	98.89%	96.77%
NNDR collection (cumulative)	83.51%	90.42%	99.43%	99.46%
NNDR collection – WLDC (cumulative)	81.20%		98.63%	
No. Revenues customers awaiting change to be processed	373	936	155	371
Total Net Arrears for Council Tax prior years (i.e. not including current year)	£1,604,038	£3,533,300	£1,094,825	£2,602,690
Total Net Arrears for NNDR prior years (i.e. not including current year)	£141,985	£229,890	£96,205	£104,160
Housing Benefit overpayments collection in period	123.51%	158.66%	106.12%	105.52%
Outstanding Housing Benefit overpayments debt	£1,442,859	£3,257,097	£1,530,967	£3,573,112
Housing Benefit New Claims: Average number of days to process (cumulative)	14.98 days	16.72 days	19.60 days	20.60 days
Housing Benefits Changes of Circumstances: Average number of days to process (cumulative)	3.10 days	4.27 days	2.83 days	3.17 days
No. Benefits customers awaiting assessment (cumulative)	335	1,835	456	1,510
% Benefits claims checked financially correct (cumulative)	96%	92%	98%	95%

This page is intentionally blank.

**SUBJECT: REVENUES AND BENEFITS - FINANCIAL MONITORING
QUARTER 3 2020/21**

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 third quarter's performance for the Revenues and Benefits shared service for 2020/21.

2. Executive Summary

- 2.1 The forecast outturn for 2020/21 predicts that, following the receipt and application of New Burdens grants, there will be an underspend against the approved budget of £89,197.

3. Background

- 3.1 The approved budget for 2020/21 was agreed by Revenues and Benefits Joint Committee on 5th February 2020. The Committee set a budget for 2020/21 of £2,426,630 for the service, which has since been increased by the agreed carry forward budget from 2019/20 totalling £51,940. North Kesteven District Council will be recharged throughout the year for the agreed value of £27,010.

At quarter 2 the budget was subsequently reduced by the sum of £16,050, being the net of a £43,500 reduction to reflect the expenditure reductions arising through a change in operations during the Covid19 pandemic and a £27,450 increase relating to New Burdens grants.

At quarter 3 the budget has been further increased to reflect additional New Burdens grants totalling £48,660.

- 3.2 The budget has been revised as follows: -

	CoLC	NK	Total
	£	£	£
Original Budget	1,293,220	1,133,410	2,426,630
Carry Forward from 19/20	24,930	27,010	51,940
Budget reductions resulting from revised operating model	(21,620)	(21,880)	(43,500)
New Burdens – Q2 (detailed in previous report)	15,600	11,850	27,450
New Burdens – Business Rates Admin Grant	25,740	20,930	46,670
New Burdens – SDP Final Funding	1,250	740	1,990

REVISED BUDGET	1,339,120	1,172,060	2,511,180
-----------------------	------------------	------------------	------------------

4. Quarter Three Financial Performance and Forecast Outturn 2020/21

4.1 Performance Quarter 3

Financial performance for the third quarter of 2020/21 is detailed in Appendix 1 to this report. At quarter 3, there is an underspend against the approved budget of £66,323.

4.2 Forecast Outturn 2020/21

Following the application of additional New Burdens grants and a reduction in anticipated expenditure levels for the remainder of the year, the forecast outturn for 2020/21 predicts that there will be an underspend against the approved budget of £89,197. 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 2020/21 is shown in the table below:

<u>Service Area</u>	<u>£</u>	<u>Reason for variance</u>
Management Staffing	8,940	National pay award of 2.75% above budget of 2% and additional hours required as a result of Covid19 pandemic response.
Benefits Staffing	(18,570)	National pay award of 2.75% above budget of 2%, offset by turnover/vacancies.
Overtime	12,970	Additional hours required as a result of increased demand due to the Covid-19 pandemic response.
Supplies & Services	(18,820)	Underspends related to changes in working during the pandemic - predominantly Car Mileage, Training, Stationery & Office Equipment.
Recharges to Other Local Authorities	(12,650)	Income in excess of budget for recharges to other Local Authorities.
IT Costs	28,800	New DWP Legislation changes.
New Burdens	(29,440)	New Burdens received to date, details as per para 3.2.
Revenues Local Taxation Staffing	(7,880)	National pay award of 2.75% above budget of 2%, offset by turnover/vacancies.

IT Costs	20,400	New Software requirements & Cloud managed Telephony service to enable remote working.
Supplies & Services	(7,680)	Underspends related to changes in working during the pandemic - predominantly Training & Collection/Tracing Agent fees.
Recharges to Other Local Authorities	(6,870)	Income in excess of budget for recharges to other Local Authorities.
New Burdens	(46,670)	New Burdens received to date, details as per para 3.2.
Benefits/Money Advice		
Staffing	(9,020)	National pay award of 2.75% above budget of 2%, offset by turnover/vacancies.
Supplies & Services	(2,710)	Underspends related to changes in working during the pandemic - predominantly Car Mileage savings offset by increased Mobile Phone expenditure.

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 3.
- 7.2 Members are recommended to approve the budget adjustments for 2020/21 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, Head of Shared Revenues and Benefits
Telephone 01522 873597

Appendix 1 Actual Position as at Quarter 3 2020/21

	Profiled Budget			Actual			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits									
Management	133,030	132,980	266,010	136,739	136,739	273,478	3,709	3,759	7,468
Benefits	485,780	352,060	837,843	473,946	343,202	817,148	(11,834)	(8,858)	(20,692)
Revenues Local Taxation	292,360	299,810	592,168	269,427	280,424	549,852	(22,933)	(19,386)	(42,318)
Money Advice	88,010	87,980	175,992	82,605	82,605	165,209	(5,406)	(5,376)	(10,781)
Total 2020/21	999,180	872,830	1,872,012	962,717	842,970	1,805,687	(36,463)	(29,860)	(66,323)

Appendix 2 Forecast Financial Outturn for 2020/21

	Annual Budget			Forecast Outturn			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits Management	177,370	177,310	354,680	181,843	181,782	363,625	4,473	4,472	8,945
Benefits	643,550	466,400	1,109,950	621,689	450,557	1,072,246	(21,861)	(15,843)	(37,704)
Revenues Local Taxation	400,560	410,760	811,320	376,510	386,098	762,608	(24,050)	(24,662)	(48,712)
Money Advice	117,640	117,590	235,230	111,776	111,728	223,504	(5,864)	(5,862)	(11,726)
Total 2020/21	1,339,120	1,172,060	2,511,180	1,291,818	1,130,164	2,421,983	(47,302)	(41,896)	(89,197)

**SUBJECT: REVENUES AND BENEFITS – BASE BUDGET FORECAST
2021/22**

REPORT BY: CHIEF EXECUTIVE & TOWN CLERK

LEAD OFFICER: JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 To present to Members the Base Budget Forecast for the Revenues and Benefits shared service for 2021/22.

2. Executive Summary

- 2.1 The Delegation and Joint Committee Agreement requires the Base Budget Forecast for the shared to be reported to Members. This report is designed to meet this requirement.
- 2.2 The Base Budget Forecast for 2021/22 is included as Appendix 1 to this report.
- 2.3 A full reconciliation to the previous Base Budget Forecast is included as Appendix 2 to this report.

3. Background

- 3.1 The Revenues and Benefits Shared Service was formed on 1st June 2011, with a budget set to deliver savings for both partner authorities.
- 3.2 Despite inflationary cost pressures the Base Budget Forecast for 2021/22 of £2.520m is only £171.6k higher than the initial Base Budget set for 2012/13, demonstrating the ongoing efficiencies being delivered by the Shared Service.

4. Base Budget Forecast 2021/22

- 4.1 The Base Budget Forecast for the shared service has been prepared and is included as Appendix 1 to this report.
- 4.2 A full review of each line of the budget has taken place to ensure a fair representation of the activity of the service. This has led to budgets being transferred between different shared service functions. Although each Authority has a different percentage of each service, across the service as a whole this hasn't led to either Authority significantly paying more.
- 4.3 There has however been an increase each year in the base budget from last year's budget due to factors such as staffing and IT. In the most part these have been offset by reviewing all areas within Revenues and Benefits cost centres – such as printing, as well as aiming to be more accurate on the budgeting of career graded

posts which in the past have been budgeted too prudently. A full reconciliation to the previous Base Budget Forecast is included as Appendix 2 to this report.

- 4.4 Deleting some vacant hours within the Revenues and Benefits shared service is being undertaken – 1 x FTE (full time equivalent) Benefits Appeals Officer, 2 x 0.62 FTE Benefits Officer – these would make savings of approximately £57,416 – with this savings split being £33,290 City of Lincoln, £24,126 North Kesteven. It is recommended these vacant hours are deleted from 1st April 2021, with no significant impact on service provision anticipated. The base budget would then reduce accordingly.

5. Organisational Impacts

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

6. Risk Implications

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

7. Recommendation

- 7.1 Members are recommended to approve the Base Budget Forecast for the Revenues and Benefits shared service for 2021/22.
- 7.2 To approve deletion of vacant hours as detailed in paragraph 4.4 and reduce the base budget accordingly.

Key Decision No

Do the Exempt Information Categories Apply? No

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

How many appendices does the report contain? Two

List of Background Papers: None

Lead Officer: Martin Walmsley
Telephone 01522 873597

Appendix 1 Base Budget Forecast 2021/22

	2021/22		
	Shared Service £	NKDC £	CoLC £
Management			
Employees	306,960		
Supplies & Services	59,300		
Sub Total	366,260	183,130	183,130
Revenues			
Employees	785,230		
Transport	2,200		
Supplies & Services	192,380		
Recharge to WLDC	(76,000)		
Income	(15,000)		
CoLC only recovery	(90,450)		
Sub Total	798,360	407,160	391,200
Benefits			
Employees	1,054,730		
Transport	3,100		
Supplies & Services	66,810		
Sub Total	1,124,640	472,350	652,290
Money Advice			
Employees	219,640		
Transport	6,160		
Supplies & Services	5,020		
Sub Total	230,820	115,410	115,410
TOTAL	2,520,080	1,178,050	1,342,030

Appendix 2 – reconciliation to previous Base Budget Forecast (20-25)

	2021/22		
	Shared Service £	NKDC £	CoLC £
Original budget - 2020 – 2025	2,507,580	1,174,370	1,333,210
Increased Staffing (less savings on Agency & Car Allowances Mileage)	13,530	4,830	8,700
Increased IT, Telephones & Mobile Phones Costs	11,730	4,890	6,840
Savings on Postage, Printing, Office Equipment, Stationery & Subscriptions	(9,760)	(4,510)	(5,250)
Increased Income on new Lincoln BIG Contract	(3,000)	(1,530)	(1,470)
Revised budget – 2021 - 2026	2,520,080	1,178,050	1,342,030

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. 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 focuses on the changes announced as a result of Covid-19 and the support provided to businesses in the form of relief and grants. The report also focuses on the financial impact of recent appeals and reductions to rateable values.
- 3.2 Focus for both Government and billing authorities since the last meeting of Joint Committee has been a continuing response to Covid-19 measures, which have been announced since 11 March 2020.

4. Expanded Retail Discount

- 4.1 The Government announced in the Budget on 29 October 2018 that it would provide Business Rates Retail Discount, to apply in the years 2019/20 (33% discount) and 2020/21 (50%) discount. This would be for businesses with a rateable value up to (but not including) 51,000.
- 4.2 In response to Covid-19, in the Budget on 11 March 2020, Government announced that it would increase the discount for 2020/21 to 100% and extend it to include the leisure and hospitality sectors. On 23 March 2020, further measures were announced which resulted in the relief being applied to occupied retail, leisure and hospitality properties in the year 2020/21, as well as removing the rateable value limit.
- 4.3 Eligibility criteria was set out by the Ministry of Housing, Communities and Local Government (MHCLG) and issued to Local Authorities on 2 April 2020. This can be found here: <https://www.gov.uk/government/publications/business-rates-retail-discount-guidance> .
- 4.4 Properties that will benefit from the relief will be occupied hereditaments that are wholly or mainly being used:

- a) as shops, restaurants, cafes, drinking establishments, cinemas and live music venues;
- b) for assembly and leisure; or
- c) as hotels, guest & boarding premises and self-catering accommodation.

4.5 MHCLG guidance provided further detailed lists of properties which fell into the above categories but made it clear that the list is not intended to be exhaustive. The list was intended to be a guide for Local Authorities (LA's) as to the types of uses that the Government considers for the purpose to be eligible for relief. LA's were required to determine for themselves whether particular properties not listed are broadly similar in nature to those above, and if so, to consider them eligible for the relief.

4.6 Government will reimburse LA's that use their discretionary relief powers under Section 47 of the Local Government Finance Act 1988 (amended). LA's had already completed their NDR1 for 2020/21 and as a result, were asked to provide further and separate estimates of their likely total cost for providing the relief. These costs are provided to Government on a weekly basis.

4.7 The total awarded under this relief, is shown in the table below, and details the number and value as at the last meeting of this Committee and as at 18 January 2021: -

City of Lincoln	Total awards	Value of awards
10.09.20	1,018	£26,899,415
09.11.20	1,029	£26,976,268
18.01.21	1,049	£26,987,892

North Kesteven	Total awards	Value of awards
10.09.20	527	£9,163,133
09.11.20	542	£9,276,621
18.01.21	547	£9,320,542

West Lindsey	Total awards	Value of awards
10.09.20	357	£6,749,196
09.11.20	366	£6,770,734
18.01.21	369	£6,852,459

4.8 At the time of writing this report (28 January 2021), the relief for 2021/22 has not yet been announced. Officers expect this announcement as part of the budget on 3 March 2021. A verbal update will be provided.

5. Nursery Discount

5.1 In response to Covid-19, Government announced a business rates Nursery Discount on 18 March 2020.

5.2 Eligibility criteria was set out by the Ministry of Housing, Communities and Local Government (MHCLG) and issued to Local Authorities on 2 April 2020. This can be found here: <https://www.gov.uk/government/publications/business-rates-nursery-childcare-discount-2020-to-2021-coronavirus-response-local-authority-guidance> .

- 5.3 The relief was to be applied to hereditaments occupied by providers on Ofsted's Early Years Register and wholly or mainly used for the provision of the Early Years Foundation Stage and which are subject to businesses rates in the year 2020/21.
- 5.4 There is no rateable value limit on the relief and where necessary, Ofsted were able to provide Local Authorities (LA's) with access to the register to help identify eligible hereditaments.
- 5.5 Government will reimburse LA's that use their discretionary relief powers under Section 47 of the Local Government Finance Act 1988 (amended). LA's had already completed their NDR1 for 2020/21 and as a result, were asked to provide further and separate estimates of their likely total cost for providing the relief. These costs are provided to Government on a weekly basis.
- 5.6 The total awarded under this relief, is shown in the table below, and details the number and value as at the last meeting of this Committee and as at 18 January 2021: -

City of Lincoln	Total awards	Value of awards
10.09.20	16	£173,915
09.11.20	15	£168,302
18.01.21	15	£163,935

North Kesteven	Total awards	Value of awards
10.09.20	16	£168,127
09.11.20	17	£169,729
18.01.21	17	£168,947

West Lindsey	Total awards	Value of awards
10.09.20	9	£27,254
09.11.20	9	£27,254
18.01.21	9	£27,254

6. Support for businesses – Lockdown grants

- 6.1 On 4 January 2021, the Prime Minister announced that from 5 January 2021 there would be a period of new national restrictions which require certain businesses and venues to close - or restrict how they provide goods and services. In addition to the grants previously provided, the Government announced the following would also be available from 5 January 2021:
- Local Restrictions Support Grant (LRSG) (Closed) Addendum; and
 - Closed Businesses Lockdown Payment
- 6.2 Local Authorities have been issued with their funding allocations and grant offer letters are to be received.
- 6.3 Local Authorities (LA's) are responsible for delivering the funding to eligible businesses with Government reimbursing the payments made by LA's, in line with set criteria.
- 6.4 Government expected the grant scheme to offer a lifeline to businesses who are struggling to survive during Covid-19 lockdown and requested that LA's make payments

as quickly as possible to support them.

- 6.5 Grants covered by this policy will be issued in accordance with government guidance dated 5 January 2021 in respect of the Business Support Package for January Lockdown – from 5 January 2021 onwards. Any updated guidance or FAQs subsequently published by Government in respect of these schemes will also apply. Guidance can be accessed via the following link.

[Business Support Package for January Lockdown: 5 January 2021 onwards - LA guidance \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/guidance/business-support-package-for-january-lockdown-5-january-2021-onwards)

- 6.6 The report does not include an update for West Lindsey District Council grants as these are not administered by the shared service.

7. Local Restrictions Support Grant – Closed Addendum payment

- 7.1 This scheme is an extension of the LRSG (Closed) scheme but has been adapted for the period of the national restrictions. The principal feature is that the payment period is initially extended to 42 days from 5 January 2021 rather than the 14-day payment cycle for tier lockdown.

- 7.2 Local Authorities will receive a 42-day allocation and will be expected to pay eligible businesses the full 42-day allocation as soon as possible after receipt of the funding. Grant funding will be issued to Local Authorities at the beginning of each payment cycle.

The level of funding provided for this grant is as follows

Local Authority	Grant Allocation
City of Lincoln	£3,272,346
North Kesteven	£1,967,193

- 7.3 Business that are eligible are those that have been mandated to close by Government and include non-essential retail, leisure, personal care, sports facilities and hospitality businesses.

- 7.4 For the first 42-day payment made in January 2021, the application closure date is 31 March 2021 and final payments must be made by 30 April 2021.

8. Closed Businesses Lockdown Payment (CBLP)

- 8.1 This payment will be in addition to LRSG (Closed) Addendum. Local Authorities will receive a one-off lump sum payment to deliver a one-off payment for businesses that have been required to close from 5 January 2021 due to the introduction of national restrictions. This funding is not retrospective.

- 8.2 The funding will be provided as a one-off payment. The scheme will close for applications on 31 March 2021, but it is expected Local Authorities will identify and pay all relevant businesses as soon as possible once the funding is received.

The level of funding provided for this grant is as follows:

Local Authority	Grant Allocation
City of Lincoln	£6,543,000
North Kesteven	£3,933,000

- 8.3 Eligibility for the CBLP is the same as the LRSG (Closed) Addendum.
- 8.4 Each local authority is currently using their own judgement about whether they need an application process for the new mandatory grants. It may be the previous grant rounds have resulted in an accurate list of those businesses that need to be paid during the January national lockdown.
- 8.5 The scheme will close on 30 April 2021, so final payments will need to be made by this date.

9. Fire Stations and Hospitals – potential reduction to rateable value

- 9.1 On 4 December 2020, the Valuation Office Agency (VOA) contacted all Local Authorities to advise they may start to see changes in the rateable values of hospitals and fire stations. These categories have been in discussion under the VOA's Group Pre-Challenge Review (GPCR) procedure.
- 9.2 Rating agents have requested GPCR discussions in early 2020 and submitted checks against a representative sample of properties within each class. The GPCRs facilitated the provision and exchange of evidence culminating in agreed valuation schemes.
- 9.3 On average reductions will be around 10% on NHS and private hospitals, and 9% on fire stations however this will be subject to wide variation dependant on the age of the properties.

Most reductions are needed to reflect the application of new age and obsolescence scales for non-industrial properties, following guidance given in the Upper Tribunal decision *Hughes v York Museum*. Larger reductions, in the region of 23%, are likely on:

- hospitals built after 2010 (further building costs were produced by the agents to support this); and
- older 1960s/70s built hospitals (particular those of a 'tower block design'; these having greater functional obsolescence).

- 9.4 Whilst the initial reductions will flow from GPCR Challenges, the scheme reductions the VOA have agreed will likely be actioned on any existing and future Check cases; these can be actioned as soon as the VOA have confirmation all physical factors they hold in their surveys are correct.
- 9.5 The impact of the changes are currently being reviewed and will be included in the budget process as part of the completion of the NDR1 budget return.

10. Strategic Priorities

- 10.1 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.

11. Organisational Impacts

11.1 Finance

Local Authorities will be compensated in full for the costs of the new business rates reliefs announced as part of the March 2020 Budget and in response to COVID 19.

Central Government is fully funding the cost of the support to businesses grants that have been administered by local authorities.

Each local authority will need to take into consideration the implications arising for fire stations and hospitals when preparing their NNDR1 returns, as well as ATM's and GP surgeries (as reported to this committee previously) as part of their provision for appeals calculations when preparing their NNDR3 returns, with a consequent impact on the level of surplus or deficit to be declared. There will also be an ongoing loss of NNDR which will be accounted for during the preparation of future NNDR1 forecasts.

12.2 Legal Implications including Procurement Rules

No direct financial implications arising from this report.

12.3 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.

13. Risk Implications

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

14. Recommendation

14.1 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?	None
List of Background Papers:	None

Lead Officer:

Claire Moses, Revenues and Benefits Manager
Telephone: 01522 873764

This page is intentionally blank.

SUBJECT:	WELFARE REFORM, TEST AND TRACE SUPPORT PAYMENTS, DISCRETIONARY HOUSING PAYMENTS – UPDATE
DIRECTORATE:	CHIEF EXECUTIVE
LEAD OFFICER:	CLAIRE MOSES, REVENUES AND BENEFITS MANAGER

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 the local advice referral process, COVID-19 support and Discretionary Housing Payments (DHP) for this report.

2. Executive Summary

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

The report will also provide Joint Committee with an update regarding local advice referral into the Welfare Reform Support team.

The report will also provide Joint Committee with an update regarding the national and local changes made to support those financially adversely affected by COVID-19.

The report will also provide an update on the financial position for Discretionary Housing Payments.

3. Background

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

- National UC 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 25 January 2021 with statistics relevant to the period up to 10 December 2020.

- 5,911,783 households receiving UC (this is an increase from 5,688,095 as reported at the last meeting of this Committee)

Local authority statistics are also available as at 10 November 2020: -

- City of Lincoln – 10,689 (10,354 as at the last report)
- North Kesteven – 6,601 (6,451 as at the last report)

5. Advice Referrals to Welfare Reform Support Team

- 5.1 Referrals come from Councils' service areas, customers and external stakeholders into the Shared Service Welfare Reform Support team (formerly Universal Support Team).
- 5.2 Since 27 January 2020, the Welfare Reform Support team have received 1,003 referrals. The table below shows the first point of contact and where these referrals have been received from: -

Benefits	140
Citizens Advice	32
Customer	181
Customer Services	153
DWP	55
Hospital	12
Housing	286
Housing Solutions (Council)	3
Housing Solutions (Private)	62
Parking	9
Private Landlord	13
Recovery	1
Support Workers	15
Voids	1
Welfare	37
Blanks	3
TOTAL	1,003

- 5.3 The advice referral process has resulted in all internal teams and partners working together with the objective of improving the customer journey. Financial outcomes for these customers will be mapped and an update will be provided at the next meeting of this committee.
- 5.4 As a result of COVID-19, the Welfare Reform Support Team has been able to provide vital support to new and existing customers – both over the phone and via email. The team are able to explain customers what support is available to them (national and local), undertake assessments for Universal Credit, Housing Benefit, Council Tax Support and Discretionary Housing Payments.

The team also provide advice and guidance to the Revenues and Benefits staff regarding changes to legislation.

6. COVID-19 National support for customers affected

6.1 As a result of the outbreak of COVID-19, there have been a number of changes made to legacy benefits, Universal Credit and support for those in or retaining employment, - which have been reported to this Committee previously.

7. COVID-19 Test and Trace Self Isolation Payments

7.1 From 28 September 2020, anyone who has been told to self-isolate has a legal obligation to do so. To support those who self-isolate, the Department for Health and Social Care (DHSC) introduced the Test and Trace Self Isolation Payment (TTSIP).

7.2 The TTSIP is administered by Local Authorities, with guidance from DHSC. There are two schemes – the mandatory and discretionary. Both schemes are payments of £500 and certain eligibility criteria need to be met.

7.3 The mandatory scheme:

This is a national scheme and eligibility criteria has been set by the Department for Health and Social Care. The payment is £500 providing the individual lives in England and meets all the following criteria: -

- have been told to stay at home and self-isolate by NHS Test and Trace, either because they have tested positive for coronavirus or have recently been in close contact with someone who has tested positive; and
- employed or self-employed; and
- unable to work from home and will lose income as a result of self-isolating; and
- currently receiving at least one of the following:
 - Universal Credit
 - Working Tax Credit
 - income-based Employment and Support Allowance
 - income-based Jobseeker's Allowance
 - Income Support
 - Housing Benefit
 - Pension Credit.

7.4 The discretionary scheme:

There are three national eligibility criteria which have been set by the Department for Health and Social Care, then each Local Authority can include their own discretionary criteria.

7.5 The shared service has approved the same policy for both City of Lincoln and North Kesteven District Council. The eligibility criteria is as follows: -

- have been told to stay at home and self-isolate by NHS Test and Trace, either because they have tested positive for coronavirus or have recently been in close contact with someone who has tested positive; and

- employed or self-employed; and
- unable to work from home and will lose income as a result of self-isolating; and
- have capital of less than £1,000; and
- have income which does not exceed expenditure.

7.6 The Welfare Reform Support Team have received all applications and undertaken assessment decisions.

In total, the team have received 1,431 applications, of which at the time of writing this report, 421 have received a payment. A breakdown of the payments is shown in the table below:

City of Lincoln:

				Paid/ready to pay	
	Received	Pending	Unsuccessful	Total	Value
Mandatory	877 total	33	135	120	£60,000
Discretionary	299 mandatory 578 discretionary	89	332	147	£73,500

North Kesteven:

				Paid/ready to pay	
	Received	Pending	Unsuccessful	Total	Value
Mandatory	554	16	69	70	£35000
Discretionary	166 mandatory 388 discretionary	80	218	84	£42000

7.7 Test and Trace criteria is due to be revised and updated before the extension of the scheme starts on 1 February 2021. At the time of writing this report (28 January 2021), officers have not received notification of any changes. A verbal update will be provided.

8. Discretionary Housing Payments

8.1 City of Lincoln's government grant is £250,113 and North Kesteven's is £172,612. 2020/21 DHP central government grants for both City of Lincoln and North Kesteven have increased from 2019/20.

8.2 The impact of UC in Lincoln and North Kesteven is constantly increasing and will continue to do so as UC continues to be rolled out. COVID-19 has had an impact on the number of UC claims being made – seeing an increase in claims, and as a result an increase in UC related DHP awards. The next stage of UC rollout is still due to be undertaken, with a managed migration process for remaining legacy benefit customers

8.3 The table below updates on DHP spend to the 31 December 2020.

8.4	LA	Total funding = Central Government DHP Grant 2020/21	DHP net spend as at 31 December 2020	DHP committed for 2020/21	DHP Total spend for 2020/21	% Grant spend	Unallocated DHP Grant
	City of Lincoln	£250,113	£86,823	£37,621	£122,444	49%	£105,690
	North Kesteven	£172,612	£65,827	£30,041	£95,868	56%	£61,987

8.6 Current spend is below the expected level at this point in the year. Officers are currently reviewing this and will undertake the following actions: -

- Liaise with Revenues & Benefits, Customer Services and Housing Teams to ensure they are aware for increased take-up
- Liaise with corporate Communication teams for external communications via social media.

8.5 The table below breaks down the number of DHP applications received and determined up to 31 December 2020

8.6	DHP applications – Year 2020/21	City of Lincoln	North Kesteven
	Total number awarded	320 (2019/20 = 413)	228 (2019/20 = 242)
	No. awarded for Housing Benefit	188 (2019/20 = 255)	119 (2019/20 = 165)
	No. awarded for Universal Credit	142 (2019/20 = 158)	109 (2019/20 = 77)
	Average DHP award	£451.32 (2019/20 = £422.42)	£485.20 (2019/20 = £454.86)

8.7 An internal DHP working group continues to review DHP procedures with the aim of ensuring that those most in need of additional help with their housing costs receive 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 are with the aim to provide a positive impact in meeting local needs in relation to housing costs

8.8 Due to Covid, there has been a temporary suspension of evictions and house moves, which has resulted in authorities seeing an underspend in their DHP. Officers are currently undertaking the following actions to address this:

- Reports sent to both Lincoln and North Kesteven Housing Teams which identifies those customers that have a shortfall but no DHP currently in payment;
- Lincoln Housing contacting tenants and support with telephone applications;
- Communications being sent out to advise the public to apply if they meet the criteria;
- Email sent to all large private landlords advising them of budget left and the new quick way to apply;
- Amended DHP guidance on the application process (shortened form created), backdating and amount of award; and
- All staff within Benefits, Customer Services, Welfare Team, Housing Departments and Homeless Departments to proactively promote DHP's.

9. Strategic Priorities

9.1 **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.

9.2 **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.

10. Organisational Impacts

10.1 **Finance:** There are no direct financial implications arising as a result of this report.

10.2 **Legal implications inc Procurement Rules:** There are no direct Legal or Procurement implications arising from this report.

11. Risk Implications

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

12. Recommendation

12.1 Joint Committee notes this report – and that an update will be presented at the next meeting of this Committee.

Key Decision

No

Do the Exempt Information Categories Apply

No

Call In and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?

No

Does the report contain Appendices?

No

If Yes, how many Appendices?

None

List of Background Papers:

No

Lead Officer:

Claire Moses, Revenues and Benefits Manager,
Telephone 01522 873764

This page is intentionally blank.