



SHARED REVENUES AND BENEFITS JOINT COMMITTEE

Thursday, 9 September 2021

2.00 pm

Committee Room, North
Kesteven District Council
Offices

- Membership: Councillors Ray Cucksey (North Kesteven District Council), Sally Tarry (North Kesteven District Council), Ric Metcalfe (City of Lincoln Council) and Sue Burke
- 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), Russell Stone (North Kesteven District Council), Martin Walmsley (City of Lincoln Council) and Tracey Parker

A G E N D A

If members are unable to attend the meeting, please advise Claire Turner (Democratic Services Officer) on 01522 873619 as soon as possible. Substitute members will be contacted if they are required to attend the meeting.

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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.	
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Details of Next Meeting: Thursday, 25 November 2021 (2.00 pm) in Venue: TBC

Present: Councillor Sue Burke, Councillor Ray Cucksey,
Ric Metcalfe and Councillor Sally Tarry

Apologies for Absence: None.

1. Election of Chair

RESOLVED that Councillor Ric Metcalfe be elected as Chair of the Shared Revenues and Benefits Joint Committee for 2021/2022.

COUNCILLOR RIC METCALFE IN THE CHAIR

2. Confirmation of Minutes - 23 February 2021

RESOLVED that the minutes of the meeting held on 23 February 2021 be confirmed and signed by the Chair.

3. Declarations of Interest

No declarations of interest were received.

4. 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 any future impacts of Covid-19 be reflected in the quarterly Performance Update report to Revenues and Benefits Joint Committee.

Alternative Options Considered and Rejected

None.

Reason for Decision

The report outlined the key impacts on the shared service following the first 'lockdown' and subsequent lockdowns in the United Kingdom as at Quarter 4 2020/21.

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 had been 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 respect of Business Rates, there had been a 35% increase in telephone calls and a 48% increase in incoming correspondence in Quarter 4 2020/21 (in comparison to Quarter 4 2019/20). Council Tax had increased by 176% in relation to e-forms and there had been a 1% increase in incoming emails in Quarter 4 2020/21 (in comparison to Quarter 4 2019/20). There had also been a 4% increase in telephone calls and a 24% increase in incoming post. Benefits had received a 37% increase in Council Tax Support new claims and 71% increase in Council Tax Support changes in Quarter 4 2020/21 (compared to Quarter 4 2019/20) and a 61% increase in Universal Credit related documents in Quarter 4 2020/21 (compared to Quarter 4 2019/20).

5. Performance Update

Purpose of Report

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

Decision

That the report be noted and an update be presented at the next meeting of this Committee on 9 September 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 financial year 2020/21, including annual outturn Revenues and Benefits performance for 2020/21.

Performance continued to be impacted by Covid-19 – a separate report on the impacts on Revenues and Benefits was included on today's Committee Agenda. Officers had 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 had 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

The Revenues and Benefits Shared Service had now been in operation since 1st June 2011, and performance had been maintained and improved whilst continuing to provide value for money. Continual improvement and success was 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 had understandably impacted on some areas of performance, - these impacts were likely to continue for many more months.

In respect of Council Tax for the financial year 2020/21, in-year collection was down for both the City of Lincoln and North Kesteven by 1.99% and 1.43% respectively, compared to the same point in 2019/20.

In respect of Business Rates, for the financial year 2020/21 (compared to the end of Quarter 2 2019/20), 2020/21 in-year collection was up by 0.08% for Lincoln, but down by 2.22% and 0.98% for North Kesteven and West Lindsey respectively.

The Lincoln figure in particular by the demographic of business types, 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, predominantly the Expanded Retail Discount. North Kesteven collection was also significantly impacted by an unforeseeable large rateable valuation reduction (£1.5 million) from the Valuation Office Agency in March 2021.

Further outlined the NDR figures for 2020/21 which showed the key movements in the business rates bases over the last year as detailed at paragraph 4.8 of the report.

Further information relating to outstanding revenues customers and housing benefit overpayments was set out in the report. The latest figures as at the end of the financial year 2020/21, outstanding revenues stood at a total of 2,111- 1,309 of which 1650 were from the City of Lincoln and 461 were from North Kesteven. Although this figure had increased in recent months, this was 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. The usual annual billing period during February and March also created significant levels of Council Tax enquiries – largely by telephone and email, limiting resources available to work on outstanding items in the Document Management System. The equivalent figure at the end of the financial year 2019/20 was 526 (split 371 Lincoln, 155 North Kesteven) – so there had been a notable increase in outstanding work.

In terms of benefits performance, the table at paragraph 5.2 of the report highlighted the time to process benefit claims at the end of the financial year 2020/21 for new claims compared to the end of financial year 2019/20 showed the City of Lincoln performing at 16.91 days and North Kesteven performing at 15.42 days. In relation to changes of circumstances the time to process benefit claims at the end of financial year 2020/21 compared to the end of the financial year 2019/20 showed the City of Lincoln Council performing at 2.88 days and North Kesteven performing at 2.56 days.

Provision of welfare and benefit advice given continued to be key with a team of dedicated and knowledgeable officers providing invaluable support to residents of Lincoln, as set out in further detail within the table at Paragraph 6.1 of the officer's report.

6. Revenues and Benefits Financial Outturn 2020/21

Purpose of Report

To provide the Joint Committee with the financial outturn for the Revenues and Benefits Shared Service for 2020/21.

Decision

That the report be noted and the budget adjustments as set out in paragraph 3.3 of the report be approved.

Alternation Options Considered and Rejected

None.

Reason for Decision

The approved budget for 2020/21 was agreed by the Revenues and Benefits Joint Committee on 5 February 2020 which set a budget of £2,426,630 for the service.

The budgets for 2020/21 were increased by £111,740, over and above the base budget assumption. At Q1 the budget was increased by the agreed carry forward budget from 2019/20 totalling £51,940. North Kesteven District Council has been 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.

At quarter 4 the budget has been increased by a further £27,180 to reflect additional New Burdens grants.

The financial performance quarterly monitoring report for the 3rd quarter predicted an underspend of £66,323 against a revised budget after considering the budget adjustments in paragraph 3.3 of the report.

The main year-end variations against the approved budget for 2020/21 were noted as follows:

- Staffing and overtime, National pay award of 2.75% above budget of 2% and additional hours required as a result of Covid19 pandemic response;
- Postage, underspend on postage as a result of Covid19 pandemic response;

- Supplies & Services, underspends related to changes in working during the pandemic;
- Recharges to other Local Authorities;
- IT costs, new DWP legislation;
- New Burdens.

7. **Business Rates Update**

Purpose of Report

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

Decision

That the content of the report be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

The following updates were noted:

Expanded Retail Discount

In the budget on 29 October 2018, Government announced 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.

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.

As announced at the Budget on 3 March 2021 by the Chancellor, the government would continue to provide eligible retail, hospitality and leisure properties in England with 100% business rates relief from 1 April 2021 to 30 June 2021. This would be followed by 66% business rates relief for the period from 1 July 2021 to 31 March 2022, capped at £2 million per business for properties that were required to be closed on 5 January 2021, or £105,000 per business for other eligible properties.

Nursery Discount

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

As announced at the Budget on 3 March 2021 by the Chancellor, the government would continue to provide eligible nursery properties in England with 100% business rates relief from 1 April 2021 to 30 June 2021. This would be followed

by 66% business rates relief for the period from 1 July 2021 to 31 March 2022, capped at £105,000 per business for other eligible properties

Discount for businesses affected by Covid-19

On 25 March 2021, central government announced a £1.5 billion package for businesses affected by Covid-19.

The announcement included:

Ministers have today set out plans to provide an extra, targeted support package for businesses who have been unable to benefit from the existing £16 billion business rates relief for retail, hospitality and leisure businesses. Retail, hospitality and leisure businesses have not been paying any rates during the pandemic, as part of a 15 month-long relief which runs to the end of June this year.

Many of those ineligible for reliefs have been appealing for discounts on their rates bills, arguing the pandemic represented a 'material change of circumstance' (MCC).

The government is making clear today that market-wide economic changes to property values, such as from COVID-19, can only be properly considered at general rates revaluations, and will therefore be legislating to rule out COVID-19 related MCC appeals.

Instead the government would provide a £1.5 billion pot across the country that would be distributed according to which sectors had suffered most economically, rather than on the basis of falls in property values, ensuring the support is provided to businesses in England in the fastest and fairest way possible.

Allowing business rates appeals on the basis of a 'material change in circumstances' could have led to significant amounts of taxpayer support going to businesses who have been able to operate normally throughout the pandemic and disproportionately benefitting particular regions like London.

At the time of writing this report, the required detail regarding the relief nor the individual local funding allocations were available.

Fire Station Hospitals – potential reduction to rateable value

On 4 December 2020, the Valuation Office Agency (VOA) contacted all Local Authorities to advise they may start to see changes in rateable values of hospitals and fire stations. These categories had been in discussion under the VOA'S Group Pre-Challenge Review (GPCR) procedure.

Rating agents had requested GPCR discussions in early 2020 and submitted checks against representative sample properties within each class. The GPCR'S facilitated the provision and exchange of evidence culminating in agreed valuation schemes.

Public Toilet Relief

After a significant period of time since this relief was first brought forward the Bill allowing for relief to be awarded on public lavatories had finished its passage in

Parliament and had received Royal assent. The Non-Domestic Rating (Public Lavatories) Act 2021 was enacted on the 29 April 2021 and made changes to the Local Government Finance Act 1988 . This relief applied retrospectively to 1st April 2020 and therefore refunds would be issued for the Non Domestic Rating Accounts pain in 2020/21.

100% mandatory business rates relief would be given to hereditaments that consisted wholly or mainly of public lavatories.

8. Welfare Reform Update

Purpose of Report

To provide the Joint Committee with an update regarding the national and local position of welfare reform, with a specific focus on the local advice referral process, COVID-19 support and Discretionary Housing Payments (DHP)

Decision

That the content of the report be noted and an update 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.

The report also provided Joint Committee with an update regarding local advice referral into the Welfare Reform Support team, national and local changes made to support those financially adversely affected by COVID-19 and an update on the financial position for Discretionary Housing Payments.

The report outlined details of the COVID-19 Test and Trace Self Isolation Payments (TTSP) introduced from 28 September 2020 to support those who had been told to self-isolate. The TTSP was due to end on the 31st January 2021 but was extended on the 1st February 2021 and was now due to end on 30th June 2021. Ministers were currently assessing the scheme to decide if it should continue, and a decision was expected regarding this in early June.

As at 14th May 2021, in total the Welfare Reform Support Team had received 1,312 applications for Lincoln and 797 for North Kesteven for Test and Trace Self Isolation Payments or through the Winter Grant Scheme, with 488 clients for Lincoln and 270 for North Kesteven having received a payment.

In April 2021, additional Winter Grant Scheme funding was awarded to each authority to help those customers facing financial hardship, and in particular to help with payments of utility bills. The Welfare Support team identified these cases using data from the Test & Trace applications along with referrals made by Welfare, Revenues & Benefits and Housing Officers. A total of £65,000 was

awarded to each authority and of this £59,500 was spent for City of Lincoln and £64,200 for North Kesteven.

A further round of Winter Grant Scheme funding was secured in May 2021, and as at the time of writing this report, this 'June 2021 scheme' has been agreed and identified cohorts of customers are being assessed regarding potential entitlement.

Latest figures for Discretionary Housing Payments spend showed an unallocated grant of £23,478 remaining for City of Lincoln and £36,544 for North Kesteven, This figure could be reflected against a total allocated fund of £250,113 for City of Lincoln and £172,612 for North Kesteven in 2020/21. Despite not spending the full allocation of central government DHP grant in 2020/21 spend was still £21,303 higher than in 2019/20 for Lincoln and £5,4640 higher than in 2019/20 for North Kesteven

As a result of COVID-19, the Welfare Reform Support Team had been able to provide vital support to new and existing customers – both over the phone and via email. The team were able to explain to customers what support was available to them (national and local), undertake assessments for Universal Credit, Housing Benefit, Council Tax Support and Discretionary Housing Payments and provide advice and guidance to the Revenues and Benefits staff regarding changes to legislation.

The report stated that the 2021/22 DHP government grants were £138,379 for Lincoln and £95,525 for North Kesteven. However, these initial allocations were only based on 71% of the national grant allocation – a mid year review would take place nationally and further DHP grants awarded to local authorities as appropriate.

The report outlined the Council Tax Hardship Fund which was part of the Governments response to COVID-19. The expectation was that the majority of the hardship fund would be used to provide council tax relief, alongside existing local Council Tax Support schemes for 2020/21. Grant allocation was made based on the Council Tax Support (CTS) working age caseload and City of Lincoln were awarded £1,209,846, and North Kesteven £535,715. The amounts spent up to 21st May 2021 – paid towards the year 2020/21 were:

City of Lincoln Council	£678,946	towards 3,893 individual Council Tax accounts
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North Kesteven	£279,681	towards 2,562 individual Council Tax accounts
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The remaining balance of the awards would be allocated towards helping the most vulnerable with further council tax relief alongside existing local Council Tax Support schemes for the year 2021/22. Modelling was currently taking place to establish how to help the most vulnerable with a real urgency to get this delivered as soon as possible.

9. Welfare Team Annual Report

Purpose of Report

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

Decision

- (1) That the report be noted.
- (2) That the success stories be publicised to illustrate the difficulties in negotiating the benefit system or dealing with debt and how the Welfare Team could support residents.

Alternative Options Considered and Rejected

None.

Reason for Decision

The Welfare Team offered two distinct but closely linked services, noted as benefits advice and money advice. The benefits advice service offered a help-desk facility during Council opening times and was effectively a duty officer who was available to answer customers' enquiries, book appointments and home visits, calculate individual entitlement to means-tested benefits and see drop-in customers if necessary, help with crisis situations, such as the provision of food larder vouchers. The money advice side of the service was operated under the administrative umbrella of Community Money Advice and was regulated by the Financial Conduct Authority which required that there was a clear and distinct separation between the line management of staff who were responsible for the collection of income. As a result of this requirement the Welfare Team reported to the Customer Services Manager at the City of Lincoln Council.

The report provided an overview of the 2020/21 financial year which highlighted that the team had dealt with 6,830 customers for benefit related queries. This was a small decrease on the previous 12 months when the total was £7372. However, this was excellent performance given that the team had spent much of the year working from home and had not been able to see customers at drop-in sessions or complete home visits.

In the year 2020/21 the team issued a total of 1,047 food vouchers for local community larders and food banks. This was a very large increase on the previous year when the total was 535 vouchers. Previous years had shown very small and gradual increases in numbers seeking emergency food and prior to the current Covid-19 situation it seemed that demand was reaching a plateau.

Additional benefits claimed by customers who had sought the advice and assistance of the Welfare Team were set out in paragraph 4.6 of the report and the total value of additional income paid over 52 weeks for both districts in the Shared Service equated to a weekly value of £1,515,510.44.

In addition to the weekly amounts of benefit awarded to individuals, in many cases customers had backdated awards or lump-sum payments, which were

outlined in paragraph 4.10 of the report. This equated to £423,467.49 for 2020/21.

In terms of money advice casework, in 2020/21 the team received 152 referrals for money advice, compared to 281 in the previous year. 104 individuals, couples and families were signed up for casework and given support to deal with their debts. This was about two thirds of the number of casework customers as the previous year. It was believed that the reduction in money advice casework because during the restrictions less debt recovery work had been undertaken and therefore customers had not been facing debt crisis. It was expected that this would mean that there would be an increase in demand as the freeze recovery action started to be lifted,

The total debt managed for 2020-2021 was £153,992 for 38 North Kesteven Residents and £299,480 for 66 City of Lincoln Residents compared to £281,252 for 59 North Kesteven residents and £491,550 for 97 City of Lincoln Residents for 2019/20. The total level of debt managed across the shared service was £453,472.

The committee discussed the individual success stories highlighted within the report and requested that these be publicised to illustrate the difficulties in negotiating the benefit system or dealing with debt and how the Welfare Team could support residents.

SUBJECT: BUSINESS RATES UPDATE

DIRECTORATE: CHIEF EXECUTIVE

REPORT AUTHOR: EMMA-JANE BRODRICK, RECOVERY AND NNDR/BID TEAM LEADER

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, North Kesteven District Council and West Lindsey District Council. The report is not intended to include non-domestic rate performance matters, as this is covered in the 'Performance Update' report before this Joint Committee today.

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, – as grants are not directly paid by the Revenues and Benefits shared service, these are not covered in this report. 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 As announced at the Budget on 3 March 2021 by the Chancellor, the government will continue to provide eligible retail, hospitality and leisure properties in England with 100% business rates relief from 1 April 2021 to 30 June 2021. This will be followed by 66% business rates relief for the period from 1 July 2021 to 31 March 2022, capped at £2 million per business for properties that were required to be closed on 5 January 2021, or £105,000 per business for other eligible properties.
- 4.2 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-retail-discount-guidance>
 - [Business rates: expanded retail discount 2021 to 2022 - local authority guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/business-rates-retail-discount-guidance) .
- 4.3 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.

- 4.4 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.
- 4.5 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 2021/22.
- 4.6 In terms of ERD, the figures below reflect the significant reduction in the amounts awarded during 2021/22 compared to 2020/21 (due to the reduction from 100% to 66% ERD from 1st July 2021):

ERD awarded	City of Lincoln	North Kesteven	West Lindsey
2020/21	£28,002,354	£6,748,970	£5,048,076
2021/22	£9,498,654	£3,797,261	£2,263,704

5. Nursery Discount

- 5.1 As announced at the Budget on 3 March 2021 by the Chancellor, the government will continue to provide eligible nursery properties in England with 100% business rates relief from 1 April 2021 to 30 June 2021. This will be followed by 66% business rates relief for the period from 1 July 2021 to 31 March 2022, capped at £105,000 per business for other eligible properties.
- 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>
 - [Business rates: nursery \(childcare\) discount 2021 to 2022 – local authority guidance - GOV.UK \(www.gov.uk\)](#) .
- 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 2021/22.
- 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 2021/22.

All potentially affected businesses have been advised in writing that they need to complete a form for the rate relief and payments have not been taken where no business rates would have been due. For the 66% relief, an application form needed to be submitted, these were sent out in March and officers undertook a further mail merge exercise for those accounts where the form has not been received, advising the customer that the amended bill when issued, will be issued without the 66% unless the enclosed form is completed and returned. For late applications, amended bills would have to be issued.

The 3-month Expanded Retail Discount and Nursery discount were applied to accounts on 23 May 2021, following required software being made available.

- 5.6 In terms of the Nursery Discount, the figures below reflect the reduction in the amounts awarded during 2021/22 compared to 2020/21 (due to the reduction from 100% to 66% from 1st July 2021):

Nursery Discount awarded	City of Lincoln	North Kesteven	West Lindsey
2020/21	£163,935	£169,808	£34,626
2021/22	£115,164	£111,131	£28,547

6. Discount for businesses affected by Covid-19

- 6.1 On 25 March 2021, central government announced a £1.5 billion package for businesses affected by Covid-19.

The announcement included:

Ministers have today set out plans to provide an extra, targeted support package for businesses who have been unable to benefit from the existing £16 billion business rates relief for retail, hospitality and leisure businesses. Retail, hospitality and leisure businesses have not been paying any rates during the pandemic, as part of a 15 month-long relief which runs to the end of June this year.

Many of those ineligible for reliefs have been appealing for discounts on their rates bills, arguing the pandemic represented a 'material change of circumstance' (MCC).

The government is making clear today that market-wide economic changes to property values, such as from COVID-19, can only be properly considered at general rates revaluations, and will therefore be legislating to rule out COVID-19 related MCC appeals.

Instead the government will provide a £1.5 billion pot across the country that will be distributed according to which sectors have suffered most economically, rather than on the basis of falls in property values, ensuring the support is provided to businesses in England in the fastest and fairest way possible.

Allowing business rates appeals on the basis of a 'material change in circumstances'

could have led to significant amounts of taxpayer support going to businesses who have been able to operate normally throughout the pandemic and disproportionately benefitting particular regions like London.

6.2 At the time of writing this report, the required detail regarding the relief nor individual local funding allocations are available – and may not be until Autumn 2021.

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

7.1 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.

7.2 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.

7.3 On average reductions will be around 10% on NHS and private hospitals, and 9% on fire stations however this will 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).

7.4 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.

7.5 On 20 May 2021 we received a further notification from the Valuation Office that there was a CPCR Challenge regarding Court Buildings. This has been completed on a representative group of around 30 Courts. The agreed basis results in average reductions of around 18% - 1970’s buildings may have higher reductions of around 28%. These reductions could go back to 1st April 2017.

Affected numbers within the shared service, are as below:

Local Authority	No. hereditaments	Charge for 2021/22
City of Lincoln	Combined (x2)	£325,120 £61,952
North Kesteven	0	
West Lindsey	0	

8. Public Toilet Relief

- 8.1 After a significant period of time since this relief was first brought forward the Bill allowing for relief to be awarded on public lavatories has finished its passage in Parliament and has received Royal assent. The Non-Domestic Rating (Public Lavatories) Act 2021 was enacted on the 29 April 2021 and makes changes to the Local Government Finance Act 1988. This relief applies retrospectively to 1st April 2020 and therefore refunds will be issued for the Non Domestic Rating Accounts paid in 2020/21.

100% mandatory business rates relief will be given to hereditaments that consist wholly or mainly of public lavatories.

Affected numbers within the shared service, are as below:

Local authority	No. hereditaments	Value £
City of Lincoln	6	11,557 for 2020 11,557 for 2021
North Kesteven	4	5,848 for 2020 5,848 for 2021
West Lindsey	7*	11,440 for 2020 11,440 for 2021

* included in this, are two hereditaments that are empty and closed and have been since 2004 & 2012.

9. Strategic Priorities

- 9.1 Both authorities look to protect the poorest people. The Revenues Team is mindful of the strategic priorities when engaging with business ratepayers as they look to recover the business rate.

10. Organisational Impacts

10.1 Finance

Local Authorities will be compensated in full for the costs of the new business rates reliefs announced as part of the March 2020 and March 2021 Budgets and in response to Covid-19.

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.

10.2 Legal Implications including Procurement Rules

No direct financial implications arising from this report.

10.3 Equality, Diversity & Human Rights

The equality implications have been considered within this report. In bringing forward any change to the existing criteria for awarding discretionary relief, consideration will be given as to whether a full Equality Impact Assessment is required.

11. Risk Implications

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

12. Recommendation

12.1 Members are requested to note this report.

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

Lead Officer: Emma-Jane Brodrick, Recovery and NNDR/BID Team
Leader
Telephone: 01522 873598

**SUBJECT: REVENUES AND BENEFITS - FINANCIAL MONITORING
QUARTER 1 2021/22**

REPORT BY: CHIEF EXECUTIVE & TOWN CLERK

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

1. Purpose of Report

- 1.1 To present to Members the first quarter's performance for the Revenues and Benefits shared service for 2021/22.

2. Executive Summary

- 2.1 The forecast outturn for 2021/22 predicts that there will be an underspend against the approved budget of £75,191.

3. Background

- 3.1 The approved budget for 2021/22 was agreed by Revenues and Benefits Joint Committee on 23rd February 2021. The Committee set a budget for 2021/22 of £2,584,830 for the service.

4. Quarter One Financial Performance and Forecast Outturn 2021/22

4.1 Performance Quarter 1

Financial performance for the first quarter of 2021/22 is detailed in Appendix 1 to this report. At quarter 1, there is an underspend against the approved budget of £39,211.

4.2 Forecast Outturn 2021/22

The forecast outturn for 2021/22 predicts that there will be an underspend against the approved budget of £75,191. 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 2021/22 is shown in the table below:

<u>Service Area</u>	<u>£</u>	<u>Reason for variance</u>
Benefits Overtime	37,572	Additional hours required as a result of increased demand due to the Covid-19 pandemic response.
TTSP & New Burdens Funding	(107,070)	Additional admin support grant for Test and Trace Support Payments scheme and

Recharges	(8,000)	additional New Burdens funding for ongoing Covid19 support. Additional LiNK Housing Benefit Subsidy income.
Revenues Local Taxation		
IT Costs	17,750	New Software requirements.
Recharges	(5,795)	Additional Link HB Subsidy income.

5. Organisational Impacts

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

6. Risk Implications

- 6.1 A full financial risk assessment is included in the Council's Medium Financial Strategy.

7. Recommendations

- 7.1 Members are recommended to note the actual position at quarter 1.

Key Decision No

Do the Exempt Information Categories Apply? No

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

How many appendices does the report contain? Two

List of Background Papers: None

Lead Officer: Martin Walmsley
Telephone 01522 873597

Appendix 1 Actual Position as at Quarter 1 2021/22

	Profiled Budget			Actual			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits									
Management	58,260	58,260	116,510	57,515	57,515	115,029	(745)	(745)	(1,491)
Benefits	181,240	129,300	310,540	169,068	122,428	291,496	(12,172)	(6,872)	(19,044)
Revenues Local Taxation	93,120	96,920	190,040	86,282	89,804	176,086	(6,838)	(7,116)	(13,954)
Money Advice	28,730	28,730	57,468	26,369	26,369	52,737	(2,361)	(2,361)	(4,723)
Total 2021/22	361,350	313,210	674,558	339,233	296,115	635,349	(22,117)	(17,095)	(39,211)
Grand total							(22,117)	(17,095)	(39,211)

Appendix 2 Forecast Financial Outturn for 2021/22

	Annual Budget			Forecast Outturn			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits Management	183,130	183,130	366,260	184,570	184,570	369,140	1,440	1,440	2,880
Benefits	694,160	495,230	1,189,390	653,928	466,528	1,120,456	(40,232)	(28,702)	(68,934)
Revenues Local Taxation	391,200	407,160	798,360	386,509	402,277	788,786	(4,691)	(4,883)	(9,574)
Money Advice	115,410	115,410	230,820	115,628	115,628	231,257	218	218	437
Total 2021/22	1,383,900	1,200,930	2,584,830	1,340,635	1,169,003	2,509,639	(43,265)	(31,927)	(75,191)
Grand total							(43,265)	(31,927)	(75,191)

SUBJECT:	PERFORMANCE UPDATE
DIRECTORATE:	CHIEF EXECUTIVE'S
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 Revenues and Benefits performance information in respect of Quarter 1 2021/22.

2.2 The Revenues and Benefits Shared Service has recently passed its ten-year anniversary of formation, having been in operation since 1st June 2011. Levels of performance have largely 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 22nd June 2021 meeting of this Committee, a report was presented detailing Revenues and Benefits annual outturn performance for the financial year 2020/21.

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

3.3 Performance continues to be impacted by Covid-19. Officers have continued to proactively respond to Covid-19, including;

- Deferrals of Council Tax and Business Rates payments being permitted where applicable and appropriate.
- 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 payments (such as Test and Trace Support payments).

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 1 2021/22, in-year collection for Lincoln and North Kesteven was down by 0.81% and up by 0.10%, respectively. Due to the financial impacts of Covid-19 on residents' incomes, it is anticipated the recovery of monies will remain a real challenge throughout 2021/22. Net collectable debit for 2021/22 (compared to 2020/21) has increased by £3.5m for Lincoln and £3.1m for North Kesteven.

Description		June 2021	Compared to June 2020
Council Tax Collection	City of Lincoln	25.10%	Down 0.81%
Council Tax Collection	North Kesteven	28.78%	Up by 0.10%
Council Tax Net liability	City of Lincoln	£49,729,969	Up by £3,491,573
Council Tax Net Liability	North Kesteven	£71,792,110	Up by £3,066,606

In terms of the national context, the latest available figures are for annual Council Tax in-year collection outturns 2020/21. City of Lincoln Council's in-year collection was 237th (2019/20 210th) and North Kesteven 35th (2019/20 21st) out of 313 local authorities whose performance was reported. Out of the seven Lincolnshire Districts, for 2020/21, City of Lincoln and North Kesteven achieved 6th and 2nd highest collections, respectively.

- 4.3 As a reflection of economic impacts on Covid-19 on residents' incomes, Council Tax Support caseloads increased sharply in 2020 and have now plateaued somewhat, as shown in the table below. Of course, this may change again as certain national 'protections' such as the furlough scheme ends, and many residents may suffer financial hardship.

	City of Lincoln	North Kesteven
June 2021	8,940	5,701
June 2020	8,991	5,834
June 2019	8,235	5,570

- 4.4 In July 2021, Council Tax Hardship fund monies started to be allocated to Council Tax accounts for the financial year 2021/22 – which will help to mitigate hardship for those eligible, also having a positive impact on in-year collection performance.

4.5 Business Rates

- 4.6 Up to the end of Quarter 1 2021/22, compared to the same point in 2020/21 in-year collection is down for all three local authorities: Lincoln (by 12.21%), North Kesteven (by 5.01%) and West Lindsey (by 3.42%). However, these figures are significantly 'skewed' by the new reliefs available in 2020/21 (namely Expanded Retail Discount - ERD) and into 2021/22 – so comparing 2021/22 to 2020/21, and to 2019/20, is not 'like for like'.

Description		June 2021	Compared to June 2020
Business Rates collection	City of Lincoln	29.10%	Down by 12.21%

Business Rates collection	North Kesteven	38.35%	Down by 5.01%
Business Rates collection	West Lindsey	30.22%	Down by 3.42%
Business Rates Net Liability	Lincoln	£36,828,585	Up by £17,164,067
Business Rates Net Liability	North Kesteven	£26,370,748	Up by £5,639,181
Business Rates Net Liability	West Lindsey	£16,301,795	Up by £4,280,442

4.7 It is important to bear in mind the changes to the ERD – where the 100% relief from 2020/21 is extended for the first three months of 2021/22 then reduces to 66% relief from 1st July 2021 to the end of March 2022. Therefore, businesses who qualify have nothing to pay in the first three months of 2021/22, but for statistics/collection purposes officers are still treating liability as if it were equally distributed across the year.

To put this into some kind of context:

- Lincoln: The collection rate appears to be 12.21% down on last year as it is only 29.10%. However, the remaining instalments from 1st July to the end of the year total £28,487,779 and this equates to £77.35% of the debt - so technically 77.35% of the debt was not due to be paid before 1st July 2021. Therefore, the remaining debt which was due to be paid before 30th June 2021 is 22.65%, - and 29.10% has been collected.
- North Kesteven: The collection rate appears to be 5.01% down on last year as it is only 38.35%. However, the remaining instalments from 1st July to the end of the year total £20,224,496 and this equates to £76.69% of the debt - so technically 76.69% of the debt was not due to be paid before 1st July 2021. Therefore, the remaining debt which was due to be paid before 30th June 2021 is 23.31%, - and 38.35% has been collected.
- West Lindsey: The collection rate appears to be 3.42% down on last year as it is only 30.22%. However, the remaining instalments from 1st July to the end of the year total £12,337,768, and this equates to 75.68% of the debt – so technically 75.68% of the debt was not due to be paid before 1st July 2021, Therefore, the remaining debt which was due to be paid before 30th June 2021 is 24.32%, - and 30.22% has been collected.

	% of liability on instalments April-June	% of liability on instalments July – March	% collected at end of June 2021 as shown above
City of Lincoln	22.65%	77.35%	29.10%
North Kesteven	23.31%	76.69%	38.35%
West Lindsey	24.32%	75.68%	30.22%

In terms of the national context, the latest available figures are for annual Business Rates in-year collection outturns 2020/21. City of Lincoln Council's in-year collection was 7th (2019/20 15th), North Kesteven 46th (2019/20 17th) and West Lindsey 28th (2019/20 74th) out of 313 local authorities whose performance was reported. Out of the seven Lincolnshire Districts, for 2020/21, City of Lincoln, North Kesteven and West Lindsey

achieved 1st, 4th and 2nd highest collections, respectively. As previously reported to this Committee, North Kesteven's 2020/21 in-year collection was significantly impacted by an unforeseeable large rateable value reduction (£1.5 million) from the Valuation Office Agency in March 2021.

4.8 In terms of the Business Rates bases in respect of Lincoln and North Kesteven, the table below show key movements in the first quarter of 2021/22.

2021/21 NDR 1 Figures and comparison – City of Lincoln Council				Key business movements
NNDR Account information as at £	Original Budget NDR 1 for 2021/22 £ <i>These figures include an estimate for growth/decline</i>	2021 only Position at end of June 21 <i>These are the actual figures and no longer include estimate for growth/decline</i>	All years – 2021 and changes to previous years made in the current year Position at end of June 21 (At the end of March 22 – these figures will equate to the NDR3 position)	<p>For the year 2021-22 – Retail Relief was not announced until March 2021. Therefore, there was no allowance for retail relief included in the NDR 1 for 2021 which is produced in January 2021.</p> <p>The retail relief scheme for 2021 is not as generous as the 2020 scheme, as for the customers that meet the criteria the scheme gives them rate relief of 75% over the whole year, and several companies do not qualify due to some capping that was introduced in the 2021 scheme.</p> <p>We are still receiving applications for the retail relief.</p>
Forecast Gross Rates (GRP and SBRR yield)	57,222,633	57,265,478	57,310,675	
Transitional Arrangements	21,043	16,966	14,996	
Mandatory Relief – inc SBRR and charity relief	-9,024,919	-9,015,583	-9,054,619	
Unoccupied Property relief	-2,000,000	-1,979,191	-2,088,751	
Discretionary relief includes charity top up, not for profit and rural rate relief (unfunded) Includes business growth budget	-386,967	-188,244	-191,089	
S31 Grant Discretionary Relief	-6,904	-9,358,844	-9,311,440	
Net Rates Payable	45,324,886	36,740,582	36,679,772	

2021/21 NDR 1 Figures and comparison – North Kesteven District Council				Key business movements
NNDR Account	Original Budget NDR 1	2021 only	All years – 2021 and changes to previous	For the year 2021-22 – Retail Relief was not

information as at £	for 2021/22 £	Position at end of June 21	years made in the current year Position at end of June 21 (At the end of March 22 – these figures will equate to the NDR3 position)	announced until March 2021. Therefore, there was no allowance for retail relief included in the NDR 1 for 2021 which is produced in January 2021. The retail relief scheme for 2021 is not as generous as the 2020 scheme, as for the customers that meet the criteria the scheme gives them rate relief of 75% over the whole year, and several companies do not qualify due to some capping that was introduced in the 2021 scheme. We are still receiving applications for the retail relief.
Forecast Gross Rates (GRP and SBRR yield)	38,080,694	37,982,912	37,992,547	
Transitional Arrangements	-201,936	-252,828	-299,481	
Mandatory Relief – inc SBRR and charity relief	-6,355,666	-6,397,802	-6,460,772	
Unoccupied Property relief	-609,392	-759,651	-790,670	
Discretionary relief includes charity top up, not for profit and rural rate relief (unfunded)	-169,077	-143,923	-144,031	
S31 Grant Discretionary Relief – this includes the original retail relief scheme at 50%	-40,768	-3,919,656	-3,923,876	
Net Rates Payable	30,703,855	26,519,053	26,373,718	

4.9 Outstanding Revenues Customers

4.10 The number of outstanding Revenues Customers at the end of Quarter 1 2021/22 is 3,354 (split Lincoln 2,255, North Kesteven 1,099) – this has continued to increase as has been the trend over the last six months. However, it should be noted that previous reported statistics are not comparable to those now being reported, due to outstanding customer e-mails now also being captured in the Revenues Document Management System, which was not the case before – so these are now also included as outstanding work waiting to be processed. Therefore, the reported figure at the end of Quarter 1 2021/22 effectively becomes the new ‘baseline’.

4.11 Demands on the Revenues Team remain high, in terms of incoming correspondence, telephone calls and e-mails. An action plan is in place to address the level of outstanding work – an update on progress will be provided to Joint Committee on 9th September.

4.12 Housing Benefit Overpayments

4.13 As at the end of Quarter 1 2021/22, in period collection of Housing Benefit overpayments stands at:

- City of Lincoln: 140.88%,
- North Kesteven: 105.05%.

4.14 Outstanding Housing Benefit overpayments debt also continues to decrease overall. As at the end of Quarter 1 2021/22:

- City of Lincoln: £3,048,986,
- North Kesteven: £1,449,690.

5. Benefits Performance

5.1 As at the end of Quarter 1 2021/22, there are 3,375 Benefits customers outstanding (split Lincoln 2,587, North Kesteven 788). This figure has increased overall, from 2,866 at the end of March 2021 (split Lincoln 2,123, North Kesteven 743) – with a significant demand of incoming work, - particularly in relation to (but not exclusively) Universal Credit -related information impaction on Housing Benefit and Council Tax Support claims. At the same time, Benefits Officers are also working on Test and Trace Support Payments and Discretionary Housing Payments – demands for which are also high (there is a separate report on this Committee’s Agenda today covering this in more detail, ‘Welfare Reform Update’).

5.2 Despite the significant demands on the Benefits Team, officers continue to turn around claims and reported changes of circumstance promptly, and accurately. As at the end of Quarter 1 2021/22

End Quarter 1 2021/22	City of Lincoln	North Kesteven
New Claims	16.81 days <i>(End Quarter 1 2020/21 15.89 days)</i>	13.77 days <i>(End Quarter 1 2020/21 15.63 days)</i>
Changes of Circumstance	4.88 days <i>(End Quarter 1 2020/21 4.22 days)</i>	4.29 days <i>(End Quarter 1 2020/21 2.37 days)</i>

The most recent national figures on Housing Benefit processing times were released on 28th July 2021, and are in respect of Quarter 4 2020/21. The key points released were as below, demonstrating the positive nature of Lincoln and North Kesteven Housing Benefit processing times:

- *During quarter 4 2020 to 2021, the average speed of processing for a new HB claim was 19 calendar days, which is two days higher than quarter 4 2019 to 2020. The average speed of processing for a change of circumstance to an existing HB claim during quarter 4 2020 to 2021 was 3 days, which is the same as quarter 4 2019 to 2020;*
- *At the Local Authority (LA) level, for quarter 4 2020 to 2021, LAs had an average speed of processing between 4 and 54 days for new HB claims, and an average speed of processing between 1 and 10 days for change of circumstances to an existing HB claim.*

5.3 In terms of the claims checked that were ‘correct, first time’ (with even £0.01p ‘out’ being classified as an incorrect assessment), at the end of Quarter 1 2021/22:

- City of Lincoln: 95.94% (189 out of 197 checked),
- North Kesteven: 94.04% (221 out of 235 checked).

These checks are in addition to the significant amount of checks also carried out under the audit requirements of the annual Housing Benefit Subsidy claims.

6. Welfare and Benefits Advice

6.1 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 Quarter 1 2021/22, the team has achieved the following:

Quarter 1 2021/22	City of Lincoln	North Kesteven
Advice provided enabling weekly value of additional benefits	£7,288	£2,154
Advice provided enabling lump sum award of additional benefits	£59,513	£36,002
No. of customers to whom help provided	1,530	283
No. money advice referrals	33	19

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 25th November 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 1 2021/22

List of Background Papers: None

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

Revenues and Benefits Joint Committee 9th September 2021
 Performance Update
 Appendix 1: Performance Data Quarter 1 2021/22

<u>Measure</u>	<u>Quarter 1 2021/22</u>		<u>2020/21 Annual Outturn</u>	
	NK	COL	NK	COL
Local Authority				
Council Tax collection (cumulative)	28.78%	25.10%	98.03%	94.78%
NNDR collection (cumulative)	38.35%	29.10%	97.21%	98.97%
NNDR collection – WLDC (cumulative)	30.22%		97.90%	
No. Revenues customers awaiting change to be processed	1,099	2,255	461	1,650
Total Net Arrears for Council Tax prior years (i.e. not including current year)	£2,763,518	£5,629,926	£1,506,747	£3,243,876
Total Net Arrears for NNDR prior years (i.e. not including current year)	£529,257	£310,997	£61,847	£121,299
Housing Benefit overpayments collection in period	105.05%	140.88%	104.40%	160.84%
Outstanding Housing Benefit overpayments debt	£1,449,690	£3,048,986	£1,471,374	£3,153,505
Housing Benefit New Claims: Average number of days to process (cumulative)	13.77 days	16.81 days	15.42 days	16.91 days
Housing Benefits Changes of Circumstances: Average number of days to process (cumulative)	4.29 days	4.88 days	2.56 days	2.88 days
No. Benefits customers awaiting assessment (cumulative)	788	2,587	743	2,123
% Benefits claims checked financially correct (cumulative)	94%	96%	96%	93%

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SUBJECT: WELFARE REFORM UPDATE
DIRECTORATE: CHIEF EXECUTIVE'S
LEAD OFFICER: REBECCA COX, WELFARE REFORM AND PROJECT LEAD

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 also provides Joint Committee with updates regarding:

- Local advice referrals into the Welfare Reform Support Team;
- National and local changes made to support those financially adversely affected by Covid-19;
- Financial position for Discretionary Housing Payments.

3. Background

- 3.1 The national Welfare Reform agenda has had a significant impact on residents of Lincoln and North Kesteven since 2013 when certain changes were introduced – such as Removal of Spare Room Subsidy, and Benefit Cap – and has continued as further changes have been introduced, such as the ongoing rollout of Universal Credit. These changes have resulted in major changes to the operating of our shared service, to ensure a proactive and positive response to welfare reform and the impacts on residents.

4. National Progress – Statistics

- 4.1 Latest national figures published by the Department for Work and Pensions (DWP) were released on 15 July 2021, with statistics relevant to the period up to 10 June 2021:

- 5,938,958 households receiving UC (this is a decrease from 5,972,017 as reported at the last meeting of this Committee).

Local authority statistics are also available:

- City of Lincoln – 10,985 (10,981 as at the last report)
- North Kesteven – 6,650 (6,752 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 The advice referral process has resulted in all internal teams and partners working together with the objective of improving the customer journey.
- 5.3 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 is able to explain to customers what support is available to them (national and local), undertake assessments for Universal Credit, Housing Benefit, Council Tax Support and Discretionary Housing Payments. This has also been a model which has been able to be flexible and adapted for the Test and Trace Support Payments scheme.

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. Members may already be aware that the increased Universal Credit payment in the form of a '£20 per week uplift' is due to end in Autumn 2021.

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 (TTSP).
- 7.2 The TTSP scheme 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 – this limit was removed from May 2021 as the scheme was reviewed; and
- have income which does not exceed expenditure.

7.6 The Welfare Reform Support Team has received all applications and undertaken assessment decisions. Also, the team secured further funding from Lincolnshire County Council to make TTSP-related payments utilising Winter Grant Scheme monies.

In total, the team has received 2,047 applications for City of Lincoln, of which at the time of writing this report (on 30th July 2021), 714 have received a payment. A breakdown of the applications is shown in the table below:

City of Lincoln:

	Received	Pending	Unsuccessful	Total Paid/Eligible	Value
Mandatory	574	84	209	281	£140,500
Discretionary	1,380	335	660	385	£192,500
Winter Grant Scheme	93	0	45	48	£24,000
Total	2,047	419	914	714	£357,000

In total, the team have received 1,117 applications for North Kesteven, of which at the time of writing this report on the 30th July 2021, 364 have received a payment. A breakdown of the applications is shown in the table below:

North Kesteven:

	Received	Pending	Unsuccessful	Total Paid/Eligible	Value
Mandatory	287	53	93	141	£70,500
Discretionary	785	191	398	196	£98,000
Winter Grant Scheme	45		18	27	£13,500
Total	1,117	244	509	364	£182,000

7.7 The national TTSP scheme was due to end on the 30th June 2021 but was extended in June and is now due to end on the 30th September 2021.

8. Discretionary Housing Payments

8.1 City of Lincoln's government grant for 2021/22 is £138,379 and North Kesteven's £95,525. 2021/22 DHP central government grants for both City of Lincoln and North Kesteven have decreased from 2020/21. However, these allocations are only based on 71% of the national grant allocation – a mid-year review is to take place nationally and further DHP grants awarded to local authorities as appropriate

8.2 The impact of Universal Credit (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 – however this may not be commencing in our Districts, for 1-2 years.

8.3 The table below updates on DHP spend for the period 1st April 2021 – 30th June 2021

LA	Total funding = Central Government DHP Grant 2021/22	DHP net spend as at 30 June 2021	DHP committed for 2021/22	DHP Total spend for 2021/22	% Grant spend	Unallocated DHP Grant
City of Lincoln	£138,379	£69,151	£47,539	£116,690	84.33%	£21,689
North Kesteven	£95,525	£42,724	£34,012	£76,736	80.33%	£18,789

- 8.5 The table below breaks down the number of DHP applications received and determined up to 30th June 2021

DHP applications – Year Quarter 1 2021/22	City of Lincoln	North Kesteven
Total number awarded	431 <i>(Quarter 1 2020/21 = 196)</i>	225 <i>(Quarter 1 2020/21 = 130)</i>
No. awarded for Housing Benefit	254 <i>(Quarter 1 2020/21 = 127)</i>	111 <i>(Quarter 1 2020/21 = 74)</i>
No. awarded for Universal Credit	177 <i>(Quarter 1 2020/21 = 69)</i>	114 <i>(Quarter 1 2020/21 = 46)</i>
Average DHP award	£270.74 <i>(Quarter 1 2020/21 = £440.61)</i>	£341.04 <i>(Quarter 1 2020/21 = £534.31)</i>

- 8.6 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.

The team has reviewed our DHP policy for 2021/22, with a view to allocating central government grant effectively under the backdrop of Covid-19 recovery.

- 8.7 As at 20th August 2021, the initial 2021/22 government DHP grant allocations for both City of Lincoln and North Kesteven have been exhausted. The second DHP grant allocations for local authorities are due to be announced on 1st September 2021. In the meantime, at both Lincoln and North Kesteven, other internal funding areas have been identified to supplement the government grant in the interim – including through rent hardship schemes. An update will be provided to this Committee on 9th September 2021.

9. Council Tax Hardship Fund

- 9.1. As part of its response to COVID-19, the Government announced in the Budget on 11th March 2020 that it would provide local authorities in England with £500m of new grant funding to support economically vulnerable people and households in their local area.

The expectation was that the majority of the hardship fund would be used to provide council tax relief, alongside existing local Council Tax Support schemes for 2020/21. The Guidance notes were released on 24th March 2020 with confirmation of the grant allocation.

Grant allocation was made based on the Council Tax Support (CTS) working age caseload and City of Lincoln were awarded £1,209,846, and North Kesteven £535,715.

Amounts spent up to 21st May 2021 – paid towards the year 2020/21:

- City of Lincoln Council £678,946 towards 3,893 individual Council Tax accounts;

- North Kesteven £279,681 towards 2,562 individual Council Tax accounts.

9.2 The remaining balance of the awards will be allocated towards helping the most vulnerable with further council tax relief alongside existing local Council Tax Support schemes for the year 2021/22.

Initial allocations were paid to eligible Council Tax accounts in July 2021, as follows:

- City of Lincoln Council: £359,922;
- North Kesteven: £172,686.

A verbal update regarding further awards will be made to Joint Committee, on 9th September 2021.

10. Strategic Priorities

10.1 **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.

10.2 **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.

11. Organisational Impacts

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

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

12. Risk Implications

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

13. Recommendation

13.1 Joint Committee notes this report, also that a further 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:	Rebecca Cox, Welfare Reform and Project Lead, Welfare.Reform@lincoln.gov.uk

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