

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

Apologies for Absence: None.

16. Confirmation of Minutes - 9 September 2021

RESOLVED that the minutes of the meeting held on 9 September 2021 be confirmed.

17. Declarations of Interest

No declarations of interest were received.

18. 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 8 February 2022.

Alternative Options Considered and Rejected

None.

Reason for Decision

The report provided information on revenues performance for Quarter 2 2021/22 for (a) council tax for the City of Lincoln Council and North Kesteven District Council; and (b) business rates for the City of Lincoln Council, North Kesteven District Council and West Lindsey District Council. Comparisons to the national and local position in terms of performance was provided, where possible.

Performance continued to be impacted by Covid-19. Actions in response to the impact of Covid-19 had included:

- 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).

The revenues and benefits shared service had now been in operation since 1 June 2011, and performance had been maintained and improved whilst continuing to provide value for money. Continual improvement and success were

being achieved in both statistical and financial performance, as well as positive outcomes for customers of the partner local authorities. However, the Covid-19 pandemic had understandably impacted on some areas of performance and these impacts were likely to continue for many more months.

In respect of council tax up to the end of quarter 2 2021/22, in-year collection was down for both the City of Lincoln and North Kesteven by 0.95% and 0.52% respectively. The latest figures were reported and the end of October 2021 in year collection for City of Lincoln Council was down by 1.18% and North Kesteven was up by 0.29%. Due to the financial impacts of Covid-19 on residents' incomes, it was anticipated that the recovery of monies would remain a real challenge throughout 2021/22. Net collectable debit for 2021/22 (compared to 2020/21) had increased by £3.2m for Lincoln and £3m for North Kesteven.

In respect of business rates, for Quarter 2 2021/22, compared to the same point in 2020/21, in-year collection was down for all three Local Authorities, 9.45% for Lincoln, 2.98% and 2.44% for North Kesteven and West Lindsey respectively. However, these figures were significantly affected by the new reliefs available in 2020/21 (namely expanded retail discount) and into 2021/22, so comparing 2021/22 to 2020/21 and to 2019/20, was not appropriate.

As detailed at paragraph 4.8 of the report, there had been key movements in the business rates bases in the second quarter.

At the end of quarter 2 2021/22, outstanding revenues customer cases stood at a total of 5,133, of which 3,454 were from the City of Lincoln and 1,679 were from North Kesteven. Previous reports were not comparable, owing to customer e-mails now being captured in the Revenues Document Management System, The reported figure at the end of Quarter 1 2021/22 would effectively become the new 'baseline'.

An action plan was in place to address the level of demand on the revenues team, which remained high, in terms of incoming correspondence, telephone calls and e-mails.

The table at paragraph 5.2 of the report indicated that City of Lincoln was processing benefit claims in 17.5 days, compared to North Kesteven at 16.69 during quarter two.

Provision of welfare and benefit 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. Officers agreed to provide this Committee with comparisons of the Welfare Team's performance in quarter two 2021/22 compared to previous years.

19. Revenues and Benefits - Financial Monitoring Quarter 2 2021/22

Purpose of Report

To provide the Joint Committee with the second quarter's financial performance for the Revenues and Benefits Shared Service for 2021/22.

Decision

That the actual position at Quarter 2 be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

The approved budget for 2021/22 had been agreed by the Joint Committee on 23 February 2021 and had been set as £2,520,080 for the shared service. Subsequent changes have led to a revised budget of £2,477,760. Financial performance for the second quarter of 2021/22 was detailed in Appendix 1 of the report, which reported an underspend against the approved budget of £31,276.

The forecast outturn for 2021/22 predicted that there would be an overspend against the approved budget of £62,421 this was against the previous forecast underspend of £30,552 with further details set out in Appendix 2 of the report. A summary of the main forecast year-end variations against the approved budget for 2021/22 was outlined in paragraph 4.3 of the report.

20. 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

On 3 March 2021 the Chancellor of the Exchequer announced that eligible retail, hospitality and leisure properties in England would be granted 100% business rates relief from 1 April 2021 to 30 June 2021; and 66% relief from 1 July 2021 to 31 March 2022, limited to £2 million per business for properties closed on 5 January 2021, or £105,000 per business for other eligible properties. Local authorities would be reimbursed if they used their discretionary relief powers.

In the recent budget there were some announcements regarding Non Domestic Rates although these were detailed at paragraph 4.7 of the report.

Nursery Discount

On 3 March 2021 the Chancellor of the Exchequer announced that eligible nursery properties in England would continue to be granted 100% business rates

relief from 1 April 2021 to 30 June 2021; and 66% relief from 1 July 2021 to 31 March 2022, limited to £105,000 per business for other eligible properties. Local authorities would be reimbursed if they used their discretionary relief powers.

Discount for businesses affected by Covid-19

On 25 March 2021, the government announced funding of £1.5 billion for businesses affected by Covid-19, who had been unable to benefit from the existing relief for retail, hospitality and leisure businesses. It was stated that a 'material change of circumstance' would not be included in the criteria for obtaining the funds and detailed guidance had not been published,

Fire Stations and Hospitals - Potential Reductions in Rateable Value

On 4 December 2020, the Valuation Office Agency (VOA) advised all local authorities that they might see changes in the rateable values of hospitals and fire stations, with reductions on average of around 10% on hospitals; and 9% on fire stations, depending on the age of the properties.

On 20 May 2021 the VOA advised that following a challenge to the proposed rateable values of court buildings, average reductions in rateable values of these buildings of 18% would be expected, with the reductions applying from 1 April 2017.

Business Rates Review

The final report for a Business Rates Review was also published at the Budget. The Budget and the Review committed in the longer term, to making improvements to the Business Rates system – these included the following;

More frequent revaluations, moving to a revaluation every three years starting from the next revaluation which would come into force on 1st April 2023, the next being 1st April 2026 and so on.

The process of revaluation would start approximately 2 years before the new valuations come into force. For the revaluation due on 1st April 2023, the rateable value would be assessed based on the rental evidence on 1st April 2021. There would be a new duty on the ratepayer to provide the Valuation Office with the information

A new relief would be provided to support investments in property improvements. It was expected that this would include a 12 month exemption on an increase in the rateable value where a property is improved. However, the final detail of this was not known at this time and the finer detail of this would be reported as soon as this was known.

There was a new exemption and relief to support green technologies announced. Unfortunately, again, the announcement was made without any of the detail being known and so, the finer detail would be reported as soon as this was known. A technical consultation had been announced on these points and we would respond to this when it was available.

21. 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.

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.

As a result of Covid-19, there had been a number of changes made to legacy benefits, universal credit and support for those in or retaining employment, which had been reported previously. The £20 per week uplift in universal credit payment had recently ended. A change to in the Universal Credit taper was also announced in October 2021 Budget – the amount of Universal Credit withdrawn for every pound someone earns would be cut from 63p to 55p.

The report outlined details of the Covid-19 test and trace self isolation payments introduced from 28 September 2020 to support those who had been told to self-isolate and had a legal obligation to do so. There were two schemes – the mandatory and discretionary. Both schemes were payments of £500 and certain eligibility criteria needed to be met.

As at 21 October 2021, in total the welfare reform support team had received 3,065 applications for Lincoln and 1,166 for North Kesteven for test and trace mandatory and discretionary self-isolation payments or through the winter grant scheme, with 1,229 clients for Lincoln and 564 for North Kesteven having received a payment.

Latest figures for discretionary housing payments (DHP) spend showed an unallocated grant of £25,751 remaining for City of Lincoln and £17,059 for North Kesteven. This figure could be reflected against a total allocated fund of £186,707 for City of Lincoln and £125,652 for North Kesteven in 2021/22.

For 2021/2022, Local Authorities were not given their full DHP grant for the year. It was announced by the DWP on 20th September 2021 that they had allocated the final part of funding for the financial year. Overall, City of Lincoln's grant has decreased by 25.4% compared to 2020/2021 and North Kesteven's has decreased by 28.9%.

The council tax hardship fund, which had been part of the government's response to Covid-19, had been expected to be used to provide council tax relief, alongside existing local council tax support schemes for 2020/21. The amounts spent up to 30 September 2021, paid towards the year 2020/21, were:

- City of Lincoln Council £678,946 towards 3,893 individual council tax accounts
- North Kesteven £279,681 towards 2,562 individual council tax accounts

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.

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

- City of Lincoln Council: £337,439;
- North Kesteven: £164,358.

Officers were aiming to spend the remaining balances within 2021/22

- City of Lincoln Council: £202,802.82;
- North Kesteven: £91,597.51.

It was reported that £421 million had been made available in England for the Household Support Fund to support those most in need this winter. This funding covered the period 6th October 2021 to 31st March 2022. £5,464,685.20 had been awarded to Lincolnshire County Council under section 31 of the Local Government Act 2001, to administer the scheme and provide assistance to households most in need.

The expectation was that it should primarily be used to support households in the most need with food, energy and water bills. It could also be used to support households with wider essential costs. At least 50% of funding must be spent on families with children.

22. Revenues and Benefits Shared Service Business Plan 2022/23

Purpose of Report

To provide the Joint Committee with an opportunity to consider the Revenues and Benefits Shared Service Business Plan for 2022/23

Decision

That the Revenues and Benefits Shared Service Business Plan 2022/23 be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

The Revenues and Benefits Shared Service Business Plan for the financial year 2022/23 was attached at Appendix 1 to the report and featured the following:

- Key Achievements in 2021/22;
- Savings in 2021/22;
- Key Activities for 2022/23;
- Strategic Priority Schemes 2022/23;
- Towards Financial Sustainability projects 2022/23;
- 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 2021/22 had been another very positive year for the shared service, albeit very challenging with a whole host of Covid-19 recovery related.

A number of additional demands have been placed on our Revenues and Benefits Service over the last eighteen months, including;

- Test and Trace Support Payments;
- Support for Business Grants;
- Winter Grant Scheme payments;
- Council Tax Hardship Fund;
 - Business Rates Reliefs;
- Increase in Benefits claims/changes;
- Universal Credit changes.

These additional demands should not be underestimated and understandably impact on levels of performance in some areas. However, despite these major challenges, performance in most areas remains positive – officers were wholly committed to achieving the best possible standards of service to our customers.

The plan for 2022/23 continued to look at a range of key initiatives, with new workstyles, e-services, financial inclusion/welfare reform initiatives and standards of performance being crucial areas for the new financial year.