

SHARED REVENUES AND BENEFITS JOINT COMMITTEE

Tuesday, 8 February 2022

2.00 pm

**Committee Room, North
Kesteven District Council
Offices**

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

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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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: Tuesday, 31 May 2022 (2.00 pm) in Committee Room 1, City Hall

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.

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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 Revenues and Benefits performance information in respect of Quarter 3 2021/22.

- 2.2 The Revenues and Benefits Shared Service has 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 25th November 2021 meeting of this Committee, a report was presented detailing Revenues and Benefits performance to the end of Quarter 2 2021/22.

- 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, Household Support Fund).

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 2021/22, in-year collection for Lincoln and North Kesteven was

down by 0.38% and up by 0.24%, respectively. Due to the financial impacts of Covid-19 on residents' incomes, it is anticipated the recovery of monies will remain a real challenge for the remainder of 2021/22, and potentially beyond too. Net collectable debit for 2021/22 (compared to 2020/21) has increased by £2.4m for Lincoln and £3.7m for North Kesteven.

Description		December 2021	Compared to December 2020	Compared to December 2019
Council Tax Collection	City of Lincoln	75.82%	Down 0.38%	Down by 3.21%
Council Tax Collection	North Kesteven	84.23%	Up by 0.24%	Down by 1.23%
Council Tax Net liability	City of Lincoln	£48,295,624	Up by £2,434,145	Up by £3,689,734
Council Tax Net Liability	North Kesteven	£71,793,618	Up by £3,044,719	Up by £5,837,770

- 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 and started to fall, as shown in the table below. Of course, this may change again as impacts of certain national 'protections' on residents' incomes such as the furlough scheme ending become clearer going forward.

	City of Lincoln	North Kesteven
December 2021	8,605	5,465
December 2020	8,955	5,801
December 2019	8,466	5,548

- 4.4 Officers are aiming to allocate remaining Council Tax Hardship fund monies to Council Tax accounts within the financial year 2021/22 – which will continue to help to mitigate hardship for those eligible, also having a positive impact on in-year collection performance.
- 4.5 The most recent national Council Tax collection data available shows that North Kesteven's in-year collection outturn for 2020/21 was 35th highest, with Lincoln 238th – out of 314 local authorities where data is available. This means that for 2020/21 North Kesteven Council Tax in-year collection was top quartile, City of Lincoln's 4th-quartile (but only just outside 3rd-quartile). Demographic and deprivation factors have not been taken into account in producing these figures, so they compare against authorities with a wide and varying range of such factors.
- 4.6 **Business Rates**
- 4.7 Up to the end of Quarter 3 2021/22, compared to the same point in 2020/21 in-year collection is down for Lincoln (by 6.31%), up for North Kesteven (by 0.75%) and down for West Lindsey (by 2.51%). It should be noted that these figures continue to be '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		December 2021	Compared to December 2020	Compared to December 2019
Business Rates collection	City of Lincoln	84.11%	Down by 6.31%	Down by 3.88%
Business Rates collection	North Kesteven	84.26%	Up by 0.75%	Down by 1.28%
Business Rates collection	West Lindsey	78.69%	Down by 2.51%	Down by 5.07%
Business Rates Net Liability	Lincoln	£35,347,439	Up by £16,772,914	Down by £9,585,302
Business Rates Net Liability	North Kesteven	£26,158,005	Up by £5,874,704	Down by £2,132,340
Business Rates Net Liability	West Lindsey	£16,190,039	Up by £4,385,410	Down by £1,725,244

- 4.8 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. Therefore, officers are not comparing ‘like for like’ throughout the year – however, by the end of Quarter 4 2021/22 this comparison should align over the whole twelve months.
- 4.9 The most recent national Business Rates collection data available shows that City of Lincoln’s in-year collection outturn for 2020/21 was 7th highest, North Kesteven 46th and West Lindsey 28th – out of 314 local authorities where data is available. This means that for 2020/21 in respect of the three local authorities for which LiNK administers Business Rates, all collection rates were top quartile.
- 4.10 In terms of the Business Rates bases in respect of Lincoln and North Kesteven, the table below show key movements in the second quarter of 2021/22.

2021/22 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 December 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 December 21	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. 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
Forecast Gross Rates (GRP and SBRR yield)	57,222,633	56,760,511	54,753,823	
Transitional Arrangements	21,043	61,751	247,384	
Mandatory Relief – inc SBRR and charity relief	-7,927,465	-9,136,995	-8,802,122	

Unoccupied Property relief	-2,000,000	-2,531,478	-2,650,535	introduced in the 2021 scheme.
Discretionary relief includes charity top up , not for profit and rural rate relief (unfunded) Includes business growth budget	-386,967 This figure includes £150k discretionary relief for the business growth fund but there has been little spent	-54,673	-57,518	
S31 Grant Discretionary Relief	-6,904	-9,679,288	-9,481,373	
Net Rates Payable	45,324,886	35,419,827	34,009,660	

2021/22 NDR 1 Figures and comparison – North Kesteven District 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 December 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 December 21 (At the end of March 22 – these figures will equate to the NDR3 position)	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. 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.
Forecast Gross Rates (GRP and SBRR yield)	37,427,524	38,209,844	38,051,408	
Transitional Arrangements	-201,936	-341,982	-387,991	
Mandatory Relief – inc SBRR and charity relief	-6,355,666	-6,535,804	-6,646,542	
Unoccupied Property relief	-609,392	-829,388	-838,859	
Discretionary relief includes charity top up , not for profit and rural rate relief (unfunded)	-169,077	-277,040	-277,194	
S31 Grant Discretionary Relief – this includes the original retail relief scheme at 50%	-40,768	-4,042,373	-4,025,658	

Net Rates Payable	30,703,855	26,183,258	25,878,164	
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4.11 Outstanding Revenues Customers

4.12 The number of outstanding Revenues Customers at the end of Quarter 3 2021/22 is 2,174 (split Lincoln 1,506, North Kesteven 668), which is a significant decrease from the 5,133 items (split Lincoln 3,454, North Kesteven 1,679) at the end of Quarter 2 2021/22. This reduction has been achieved largely through implementing additional temporary resources, including sifting and actioning items in the outstanding documents queue.

4.13 It is vital the outstanding customers number is as low as possible before annual billing for the new financial year, therefore additional temporary resources remain in place until the end of February 2022. However, due to turnover of staff on the Council Tax Administration Team, there are also vacancies being recruited to at the time of writing this report.

4.14 Housing Benefit Overpayments

4.15 As at the end of Quarter 3 2021/22, in period collection of Housing Benefit overpayments stands at:

- City of Lincoln: 171.76%,
- North Kesteven: 117.81%.

4.16 Outstanding Housing Benefit overpayments debt also continues to decrease overall. As at the end of Quarter 3 2021/22:

- City of Lincoln: £2,769,280,
- North Kesteven: £1,394,057.

5. Benefits Performance

5.1 As at the end of Quarter 3 2021/22, there are 2,269 Benefits customers outstanding (split Lincoln 1,664, North Kesteven 605). This figure has increased overall, reflecting the volume of workload, additional pressures and work demands on the Benefits Team. Staff overtime remains in place to reduce the outstanding workload as much as possible, during the period up to new financial year upratings. A verbal update will be provided to Joint Committee on 8th February.

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 3 2021/22

End Quarter 3 2021/22	City of Lincoln	North Kesteven
New Claims	16.45 days <i>(End Quarter 3 2020/21 16.72 days)</i> <i>(End Quarter 3 2019/20 21.73 days)</i>	16.54 days <i>(End Quarter 3 2020/21 14.98 days)</i> <i>(End Quarter 3 2019/20 20.19 days)</i>
Changes of Circumstance	5.37 days	3.99 days

	(End Quarter 3 2020/21 4.27 days)	(End Quarter 3 2020/21 3.10 days)
	(End Quarter 3 2019/20 5.84 days)	(End Quarter 3 2019/20 4.58 days)

The most recent national figures on Housing Benefit processing times were released on 27th January 2022, and are in respect of Quarter 2 2021/22. These figures state that the national averages are 20 days for processing New Claims and 8 days for Changes of Circumstance, - demonstrating the continuing positive nature of Lincoln and North Kesteven Housing Benefit processing times:

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 3 2021/22:

- City of Lincoln: 96.40% (321 out of 333 checked),
- North Kesteven: 96.25% (616 out of 640 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.

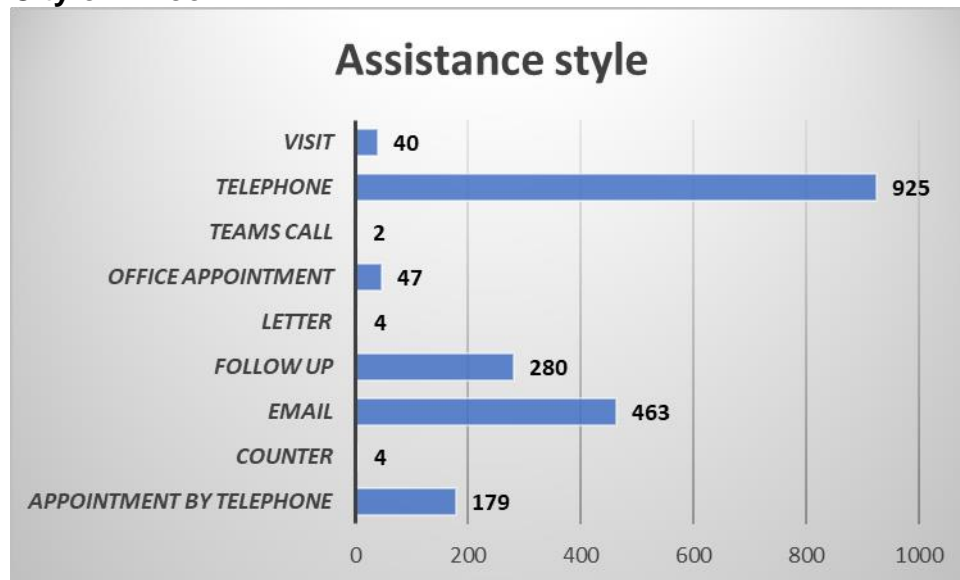
6. Welfare and Benefits Advice

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 3 2021/22, the team has achieved the following:

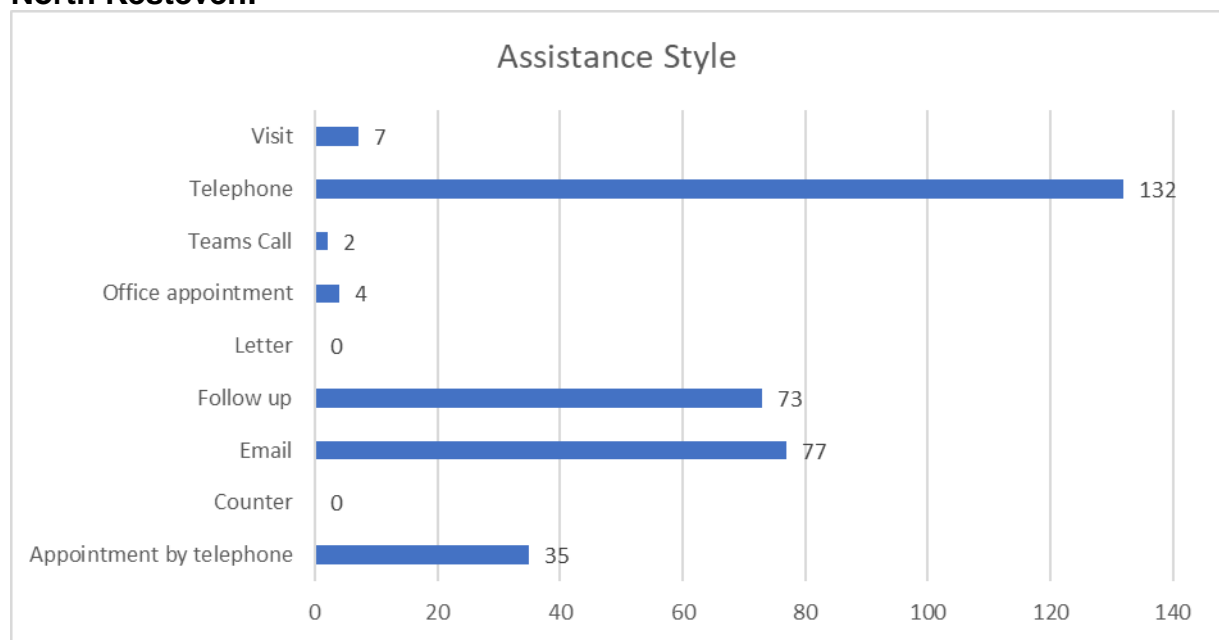
Quarter 3 2021/22	<u>City of Lincoln</u>	<u>North Kesteven</u>
Advice provided enabling weekly value of additional benefits	£4,609	£2,895
Advice provided enabling lump sum award of additional benefits	£50,146	£35,070
No. of customers to whom help provided	1,799	282
No. money advice referrals	36	14

6.2 The charts below show how assistance by the Welfare Team has been provided in Quarter 3 2021/22.

City of Lincoln:



North Kesteven:



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 31st May 2022.

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 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 8th February 2022
Performance Update
Appendix 1: Performance Data Quarter 3 2021/22

<u>Measure</u>	<u>Quarter 3 2021/22</u>		<u>2020/21 Annual Outturn</u>	
Local Authority	NK	COL	NK	COL
Council Tax collection (cumulative)	84.23%	75.82%	98.03%	94.78%
NNDR collection (cumulative)	84.26%	84.11%	97.21%	98.97%
NNDR collection – WLDC (cumulative)	78.69%		97.90%	
No. Revenues customers awaiting change to be processed	668	1,506	461	1,650
Total Net Arrears for Council Tax prior years (i.e. not including current year)	£2,037,091	£1,497,558	£1,506,747	£3,243,876
Total Net Arrears for NNDR prior years (i.e. not including current year)	£139,852	£82,101	£61,847	£121,299
Housing Benefit overpayments collection in period	117.81%	171.76%	104.40%	160.84%
Outstanding Housing Benefit overpayments debt	£1,394,057	£2,769,280	£1,471,374	£3,153,505
Housing Benefit New Claims: Average number of days to process (cumulative)	16.54 days	16.45 days	15.42 days	16.91 days
Housing Benefits Changes of Circumstances: Average number of days to process (cumulative)	3.99 days	5.37 days	2.56 days	2.88 days
No. Benefits customers awaiting assessment (cumulative)	605	1,664	743	2,123
% Benefits claims checked financially correct (cumulative)	96%	96%	96%	93%

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SUBJECT:	REVENUES AND BENEFITS - FINANCIAL MONITORING QUARTER 3 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 third 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 overspend against the approved budget of £85,807, a deterioration of £23,386 from quarter two.

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 £2,520,080 for the service.
- 3.2 At quarter one, this budget was subsequently reduced by the sum of £60,110, to reflect changes resulting from the deletion of vacant posts as agreed by Joint Committee on 23rd February. The budget has then been increased by a further £17,790 as a result of New Burdens funding giving a revised budget of £2,477,760.
- 3.3 At quarter two no further changes were made.
- 3.4 At quarter three further new burdens of £1,650 were received as follows:-

	CoLC	NK	Total
	£	£	£
Original Budget	1,342,040	1,178,040	2,520,080
Deletion of vacant posts	(34,500)	(25,610)	(60,110)
New Burdens:			
Q1: Northgate changes – PDVR, SDP, HBMS & Savings Credit	8,900	8,890	17,790
DWP Legislation - Scottish Child Disability Premium	825	825	1,650
REVISED BUDGET	1,317,260	1,162,150	2,479,410

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

4.1 Performance Quarter 3

Financial performance for the third quarter of 2021/22 is detailed in Appendix 1 to this report. At quarter 3, after the application of the above budget adjustments, there is an overspend against the approved budget of £63,242.

4.2 Forecast Outturn 2021/22

The forecast outturn for 2021/22 predicts that there will be an overspend against the approved budget of £85,807, this is against the previous forecast overspend of £62,421 at quarter two. 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.

One of the main reasons for the forecast overspend is Benefits overtime which is largely due to the administration of Test and Trace Support Payments. Each Council has received a grant to compensate them for administration of these payments, however these grants currently sit outside the shared service budget. For the period 1st April 2021 to 31st December 2021, Test and Trace Support Payments administration grants have been requested from central government as follows – City of Lincoln £82,228, North Kesteven £43,471.

<u>Service Area</u>	<u>£</u>	<u>Reason for variance</u>
Benefits		
Overtime	55,050	Additional hours required as a result of increased demand due to the Covid-19 pandemic response and TTSP administration.
Recharges	(8,000)	LiNK Housing Benefit Subsidy income.
Revenues Local Taxation		
Staffing Costs	(24,220)	Vacancy savings for first 5 months – recruitment now in place.
Agency Costs	14,830	Anticipated agency costs in response to backlog as a result of vacancies and increased workloads due to Covid-19.
IT Costs	20,870	New Software requirements.
IT Costs	47,090	Empty Homes Review – Sep-21
Recharges	(5,795)	Additional Link HB Subsidy income.
Benefits/Money Advice		
Staffing Costs	(15,540)	Vacancy savings and reduced costs as a result of staff turnover and new junior appointments.

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.

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 3 2021/22

Actual Cash Limit as at Q3 - 2021/22

	Profiled Budget			Actual			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits Management	134,770	134,770	269,542	134,816	134,816	269,632	46	46	92
Benefits	473,190	344,190	817,388	500,831	362,670	863,501	27,641	18,480	46,121
Revenues Local Taxation	279,360	290,750	570,110	297,608	309,756	607,364	18,248	19,006	37,254
Money Advice	86,200	86,200	172,403	76,087	76,087	152,175	(10,113)	(10,113)	(20,225)
Total 2021/22	973,520	855,910	1,829,442	1,009,342	883,329	1,892,672	35,822	27,419	63,242
Adjustment for Agency pressure:							(7,267)	(7,563)	(14,830)
							9,887	4,943	14,830
Grand total							38,442	24,799	63,242

Appendix 2 Forecast Financial Outturn for 2021/22

Projected Cash Limit Outturn - 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	184,152	184,152	368,303	1,022	1,022	2,043
Benefits	627,520	456,450	1,083,970	655,835	477,046	1,132,881	28,315	20,596	48,911
Revenues Local Taxation	391,200	407,160	798,360	416,583	433,579	850,162	25,383	26,419	51,802
Money Advice	115,410	115,410	230,820	106,935	106,935	213,870	(8,475)	(8,475)	(16,950)
Total 2021/22	1,317,260	1,162,150	2,479,410	1,363,505	1,201,712	2,565,217	46,245	39,562	85,807
Adjustment for Agency pressure:				(7,267)	(7,563)	(14,830)	(7,267)	(7,563)	(14,830)
				9,887	4,943	14,830	9,887	4,943	14,830
Grand total				1,366,125	1,199,092	2,565,217	48,865	36,942	85,807

**SUBJECT: REVENUES AND BENEFITS – BASE BUDGET FORECAST
2022/23**

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 2022/23.

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 2022/23 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 2022/23 of £2.517m is only £168.3k higher than the initial Base Budget set for 2012/13, demonstrating the ongoing efficiencies being delivered by the Shared Service.

4. Base Budget Forecast 2022/23

- 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 Despite inflationary pressures there has been a decrease year on year in the base budget from last year's budget in the main due to the agreed removal of vacant posts by Joint Committee – i.e. these are the staff savings agreed by this committee in February 2021. A full reconciliation to the previous Base Budget Forecast is included as Appendix 2 to this report.

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 2022/23.

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 2022/23

	2022/23		
	Shared Service	NKDC	CoLC
	£	£	£
Management			
Employees	315,750		
Supplies & Services	58,850		
Sub Total	374,600	187,300	187,300
Revenues			
Employees	807,620		
Transport	4,700		
Supplies & Services	194,220		
Recharge to WLDC	(81,800)		
Income	(15,000)		
CoLC only recovery	(92,260)		
Sub Total	817,480	416,910	400,570
Benefits			
Employees	1,020,600		
Transport	3,100		
Supplies & Services	70,160		
Income	(8,000)		
Sub Total	1,085,860	456,060	629,800
Money Advice			
Employees	227,230		
Transport	4,160		
Supplies & Services	7,500		
Sub Total	238,890	119,450	119,450
TOTAL	2,516,830	1,179,720	1,337,120

Appendix 2 – Reconciliation to previous Base Budget Forecast (2021-26)

	2022/23		
	Shared Service £	NKDC £	CoLC £
Original budget - 2021 – 2026	2,568,520	1,200,640	1,367,880
Savings on Staffing cost (incl. Training & Car Allowance Mileage)	(47,200)	(16,770)	(25,920)
Increased costs for IT, Mobile phones, Postage	4,810	2,170	2,640
Increased Income on LiNK HB Subsidy Partnership & NNDR Service Provision	(13,800)	(6,320)	(7,480)
Revised budget – 2022 - 2027	2,516,830	1,179,720	1,337,120

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 Department for Levelling Up, Housing and Communities (DLUHC) 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 \(www.gov.uk\)](#) .

- 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 DLUHC 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 Expanded Retail Discount (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	£9,544,369	£3,890,932	£2,288,599

- 4.7 In the recent budget there were some announcements regarding Non Domestic Rates although the full details are not known yet –
1. For 2022/23 – the multipliers which are used to calculate the business rates will be frozen for the second year at 49.9p and 51.2p. This will have a financial impact on the income to the Authority. In legislation, the multiplier should go up in line with the inflation figure in September of the previous year. This was originally the RPI but this was changed a few years ago to the CPI. It is expected, but not confirmed, that the council will be compensated for this 'loss of income' under a Section 31 grant as it has been previously when inflation exceeded 2% but the government capped the increase of the multiplier to 2%.
 2. A 'new' relief was announced for eligible retail, hospitality, and leisure properties with a 50% relief on rates bills up to a cap of £110,000 per business and the details of this have now been received.
There is a capping to the level of expanded retail discount of £110,000 which is similar to the capping level for 2021/22 which was £105,000 for any business that was not mandated to close. There is no differentiation for next year between mandated to close and not mandated to close, therefore this is likely to take all the national chains out of the scheme.
Additionally, the scope of this discount was noted to 'return to pre-covid 19 eligibility for retail properties'. Hospitality and leisure are to remain in the scope, which they were not prior to covid 19 and the rateable value is unlimited, in 2019 this was capped at 50,999.

There are other types of business that have now fallen out of the scope which includes estate agents and employment agents.

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 Department for Levelling Up, Housing and Communities (DLUHC) 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	£113,340	£111,255	£28,727

- 5.7 Although the Expanded Retail Discount will be available at 50% in 2022-23, there has been no announcement in respect of nurseries. Therefore, these customers will find that their bills return to their 'normal' pre-covid calculation and their additional support ends on 31st March 2022.

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 The details of this scheme were announced on 15th December 2021 and the amounts for each authority were also announced –

- City of Lincoln Council – Funding £2,711,060
- North Kesteven District Council – Funding £1,719,343
- West Lindsey District Council – Funding £1,408,044.

- 6.3 There is some brief guidance from the Government which states that Local Authorities will be responsible for designing the discretionary relief schemes that are to operate in their areas. However, in developing and implementing their schemes local authorities:-
- a. must not award relief to ratepayers who for the same period of the relief (period from the 1st April 2021 to the 31st March 2022, or any part of this period) either are or would have been eligible for the Extended Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS),
 - b. must not award relief to a hereditament for a period when it is unoccupied (other than hereditaments which have become unoccupied temporarily due to the government's advice on COVID-19), and
 - c. should direct their support towards ratepayers who have been adversely affected by the pandemic (in a way that prevents success or development; harmfully or unfavourably) and have been unable to adequately adapt to that impact.
- 6.4 Collaboration with our Local Authority neighbours began on 6th and 7th January 2022, and discussions have been held with representatives from a number of the Lincolnshire authorities to share guidelines and ideas. Some draft guidance has been distributed on 7th January 2022.
- 6.5 The Institute of Revenues Rating and Valuation (IRRV) held a webinar on 17th January to help Local Authorities through this process and to talk about areas such as how the Local Authority targets those most in need or how we establish that a business has losses of 30% against their position in 2019.
- 6.6 Officers are continuing to develop a proposed scheme as a matter of priority.

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 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).

- 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. Business Rates Review

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

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

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

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

A technical consultation has been announced on these points and we will respond to this when it is available.

9. Strategic Priorities

- 9.1 Both authorities look to protect those who may be experiencing final hardship. 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

REVENUES AND BENEFITS JOINT COMMITTEE

8 FEBRUARY 2022

SUBJECT: WELFARE REFORM UPDATE

DIRECTORATE: CHIEF EXECUTIVE

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 14th December 2021, with statistics relevant to the period up to October 2021:
- 5,697,267 households receiving UC (this is a decrease from 5,806,015 as reported at the last meeting of this Committee).

Local authority statistics are also available:

- City of Lincoln – 10,950 (11,065 as at the last report)
- North Kesteven – 6,434 (6,664 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 Credit 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 part of our shared service's COVID-19 response, 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' has recently ended. A change in the Universal Credit taper rate was also announced in the October 2021 Budget, - the amount of Universal Credit withdrawn for every pound someone earns is cut from 63p to 55p.

7. COVID-19 Test and Trace Support Payments

- 7.1 From 28th 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 Support 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 4,084 applications for City of Lincoln, of which at the time of writing this report on the 14th January 2022, 1,550 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	2,824	282	284	601	£300,500
Discretionary	1,167	988	935	901	£450,500
Winter Grant Scheme	93	0	45	48	£24,000
Total	4,084	1,270	1,264	1,550	£775,000

In total, the team has received 2,255 applications for North Kesteven, of which at the time of writing this report on the 14th January 2022, 774 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	679	182	162	335	£167,500
Discretionary	1,531	487	632	412	£206,000
Winter Grant Scheme	45	0	18	27	£13,500
Total	2,255	669	812	774	£387,000

- 7.7 The national TTSP scheme was due to end on the 30th June 2021 but was extended in June until the 30th September 2021, and has since been extended again and is now due to end on the 31st March 2022.

8. Discretionary Housing Payments

- 8.1 City of Lincoln's government grant for 2021/22 is £186,707 and North Kesteven's £122,652. 2021/22 DHP central government grants for both City of Lincoln and North Kesteven have decreased from 2020/21.

- 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 (or longer).

- 8.3 The table below updates on DHP spend for the period 1st April 2021 – 31st December 2021.

8.4

LA	Total funding = Central Government DHP Grant 2021/22	DHP net spend as at 30 December 2021	DHP committed for 2021/22	DHP Total spend for 2021/22	% Grant spend	Unallocated DHP Grant
City of Lincoln	£186,707	£153,865	£29,043	£182,908	97.97%	£3,799
North Kesteven	£122,652	£108,095	£16,179	£124,274	100%	£0.00

North Kesteven District Council has allocated a further £40,000 to top up the funding from Central Government, to supplement the central government grant up to 31st March 2022. Funding is in place for City of Lincoln Council to continue awarding DHP for the remainder of 2021/22, based on projection of spend for the remainder of this financial year.

- 8.5 The table below breaks down the number of DHP applications received and determined up to 31st December 2021

DHP applications – Year Quarter 3 2021/22	City of Lincoln	North Kesteven
Total number awarded	561 (Quarter 3 2020/21 = 320)	324 (Quarter 3 2020/21 = 228)
No. awarded for Housing Benefit	306 (Quarter 3 2020/21 = 188)	155 (Quarter 3 2020/21 = 119)
No. awarded for Universal Credit	255 (Quarter 3 2020/21 = 142)	169 (Quarter 3 2020/21 = 109)
Average DHP award	£326.04 (Quarter 3 2020/21 = £451.32)	£383.56 (Quarter 3 2020/21 = £455.77)

- 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 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%.
- 8.8 As at the 13th January 2022, the City of Lincoln has £3,799 left of its funding and North Kesteven has spent all of their Central Government funding. For 2022/23, we expect to receive a further reduction in our Government Funding, therefore Officers are considering options such as:
- Fundamental review of DHP Policy;
 - Review of housing allocations policy;
 - Consideration of including all income when looking at Income and Expenditure;
 - Review of cases currently in receipt of 'longer-term' DHP.

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 30th Sept 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 , and by 30th Sept 2021, the totals awarded were as follows:

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

9.3 Officers are aiming to spend the remaining balances within 2021/22.

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

10. Household Support Fund

10.1 £421 million has been made available in England to support those most in need this winter. This funding covers the period 6th October 2021 to 31st March 2022. £5,464,685.20 has 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 is that this funding should primarily be used to support households in the most need with food, energy and water bills. It can also be used to support households with wider essential costs. At least 50% of funding must be spent on families with children.

A Lincolnshire Districts” scheme is live from 1st December 2021, - our Revenues and Benefits shared service is, working with a range of other organisations making referrals, delivering these Household Support Fund payments for City of Lincoln and North Kesteven.

For the month of December 2021, the following awards have been made:

City of Lincoln

Category	Food	Energy	Essentials linked to Energy & Water	Wider Essentials	
Number of families without children	37	29	17	9	
Number of families with children	89	56	61	26	
Total Amount of Award	£21,000	£6,766	£7,900	£3,500	Total Paid £39,166.

North Kesteven

Category	Food	Energy	Essentials linked to Energy & Water	Wider Essentials	
Number of families without children	28	14	18	5	
Number of families with children	71	43	45	17	
Total Amount of Award	£16,100	£5,292	£6,300	£2,200	Total Paid £29,892

11. Financial Inclusion

11.1 Financial inclusion is a key objective and factor in many areas of LiNK's work. The Lincolnshire Financial Inclusion Partnership (FIP) is currently chaired by the Head of Shared Revenues and Benefits for North Kesteven District Council and City of Lincoln Council, - which brings together organisations and partners to promote and raise the profile of financial inclusion across the county. FIP aims to ensure that everyone has the capability and opportunity to access appropriate financial services and products needed to participate fully in society.

FIP works to develop, implement and, when available, gain funding for positive solutions to improve financial inclusion for all people within Lincolnshire. The FIP also provides a forum for sharing good practice and information.

In terms of scope of activity, FIP works in partnership to coordinate the discussion, development and delivery of services and identify issues connected to the alleviation of financial exclusion in Lincolnshire. Areas of activity include but are not limited to:

- Banking Services;

- Insurance and savings;
- Financial capability;
- Affordable and responsible credit;
- Debt advice and emergency help;
- Advice and support to access welfare benefits and entitlements.

FIP has an action plan in place relating to financial inclusion for Covid-19 recovery in Lincolnshire, which is managed and monitored through quarterly meetings of the FIP Steering Group and full FIP Group.

12. Strategic Priorities

- 12.1 **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.
- 12.2 **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.

13. Organisational Impacts

- 13.1 **Finance:** There are no direct financial implications arising as a result of this report.
- 13.2 **Legal implications inc Procurement Rules:** There are no direct Legal or Procurement implications arising from this report.

14. Risk Implications

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

15. Recommendation

- 15.1 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

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