

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

Apologies for Absence: None.

30. Election of Chair

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

COUNCILLOR RAY CUCKSEY IN THE CHAIR

31. Confirmation of Minutes - 8 February 2022

RESOLVED that the minutes of the meeting held on 8 February 2022 be confirmed and signed by the Chair.

32. Declarations of Interest

No declarations of interest were received.

33. Performance Update

Purpose of Report

To provide the Shared Revenues and Benefits Joint Committee with an update on performance in the Revenues and Benefits Shared Service, as detailed within Appendix 1 of the report.

Decision

That the report be noted, and an update be presented to the next meeting of this Committee on 8 September 2022.

Alternative Options Considered and Rejected

None.

Reason for Decision

The report provided an update on revenues performance in respect of annual outturns for the financial year 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.

The revenues and benefits shared service had now been in operation for 11 years since 1 June 2011, and performance had largely been maintained and improved whilst continuing to provide value for money. Continual improvement and success was 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 for the financial year 2021/22, in-year collection was down for the City of Lincoln by 0.78% and up for North Kesteven by 0.35% respectively. The financial impacts of Covid-19 on residents' incomes had continued, making collection of Council Tax a balance of the importance of collecting monies due in a prompt manner, whilst making repayment arrangements where applicable and appropriate in order that undue financial hardship to taxpayers was avoided. Net collectable debit for 2021/22 (compared to 2020/21) had increased by £2,728,406m for Lincoln and £3, 115,475m for North Kesteven.

It had been envisaged that outstanding Council Tax Hardship monies (City of Lincoln circa £200k, North Kesteven circa £90k) would have been allocated to identified cohorts within the latter part of 2021/22 – however, this required a script from our ICT system supplier (NEC, previously Northgate). Understandably, NEC resources had been diverted to the Council Tax Energy Rebate, - the script to allocate Council Tax Hardship monies was now being picked up again in the early part of 2022/23.

In respect of business rates, for the financial year 2021/22, in-year collection was down by 0.52% for Lincoln, 2.53% up for North Kesteven and 1.15% down for West Lindsey. The year 2021/22 was not wholly comparable to 2020/21 due to a reduction in Expanded Retail Discount

As detailed at paragraph 4.9 of the report, there had been key movements in business rates bases over the last year.

As at the end of the end of the financial year 2021/22, outstanding revenues documents stood at a total of 3,022, of which 2,046 were from the City of Lincoln and 976 from North Kesteven. Although this figure was higher than the total figure at the end of 2020/21 (2,111), this was a result of significant demand on the Council Tax Team, with house moves increasing sharply as well as the ongoing impacts from Covid19. The service had also experienced unforeseen reductions in staffing resources at points during the year. As at the end of October 2021 there were 5,101 outstanding Revenue's customers awaiting to be processed (split Lincoln 3,367 and North Kesteven 1,734), which demonstrated progress made in the second half of 2021/22.

A table provided at paragraph 4.12 of the officer's report gave context to some of the key demands dealt with by the team in 2021/22.

As at the end of the financial year 2021/22 performance in respect of in-year collections rates and outstanding monies relating to housing benefit overpayments continued to be positive. Outstanding debts continued to decrease; and in-period collection was exceeding 100% for both partner Councils.

As at the end of the financial year 2021/21, there were 2,768 Benefits customers outstanding (awaiting assessment) – split Lincoln 2,117 and North Kesteven 651. This was a slight reduction from the outstanding figure of 2,866 at the end of 2020/21. The significant increase in work demands due to the substantial impacts of Covid-19 had meant it had been another challenging year for the team to keep on top of the workload, - especially with the Test and Trace Support Payments

and Household Support Fund schemes also requiring considerable resources from the Benefits Service. The number of Universal Credit (UC) documents which required processing also continued to have a real impact on the team.

The table at paragraph 5.2 of the report indicated that City of Lincoln was processing benefit claims in 16.54 days compared to 16.91 days in 2020/21 and changes of circumstances claim forms in 3.55 days, compared to 2.88 days in 2020/21. North Kesteven was processing benefit claims in 17.34 days compared to 15.42 days in 2020/21 and changes of circumstances claim forms in 2.80 days, compared to 2.56 days in 2020/21. To give context to these figures, the latest national data available showed that in Quarter 3, 2021/22 new claims were processed by Councils in an average of 19 calendar days, which reaffirmed the positive nature of Lincoln and North Kesteven's average processing times.

Provision of welfare and benefits advice continued to be key as our Welfare Team continued to assist customers to access vital monies during 2021/22. The demographics and demands were such in the districts, with Covid-19 undoubtedly having an impact in North Kesteven where it had not been possible to offer home visits in the same way as pre-Covid. As the new financial year 2022/23 moved forward, officers would further develop new ways of working to ensure customers were able to access the services of the team. Further detail was set out within the table at Paragraph 6.2 of the officer's report.

34. Financial Outturn 2021/22

Purpose of Report

To provide the Shared Revenues and Benefits Joint Committee with the financial outturn for the Revenues and Benefits Shared Service for 2021/22, as detailed at Appendix 1 to the report.

Decision

That the content of the report and the budget adjustments as set out in paragraph 3.6 be noted.

Alternation Options Considered and Rejected

None.

Reason for Decision

The approved budget for 2021/22 was agreed by the Shared Revenues and Benefits Joint Committee on 23 February 2021 which set a budget of £2,520,080 for the service.

At Quarter 1 the budget was subsequently reduced by the sum of £60,110 to reflect charges resulting from the deletion of vacant posts as agreed by Joint Committee on 23 February 2021. The budget was then increased by a further £17,790 as a result of New Burdens funding to give a revised budget of £2,477,760. At Quarter 3 it was further increased to reflect additional New Burdens grants totalling £1,650 and again at Quarter 4 by a further £9,010.

The 2021/22 financial outturn for the Revenues and Benefit Shared Service resulted in an overspend of £41,927, a variance of 1.7% of the revised budget

and an improvement against the forecast overspend of £85,807 as at Quarter 3. This was prior to a recharge for new IT kit totalling £38,914.62 split at agreed proportions between both authorities at £20,795.48 for Lincoln and £18,119.14 for North Kesteven.

The main year-end variations against the approved budget for 2021/22 were noted within the table at paragraph 4.2 of the officer's report:

One of the main reasons for the forecast overspend related to Benefits overtime largely due to the administration of Test and Trace Support Payments (TTSP). Each Council had received a compensation grant to cover this administration cost, however, these grants sat outside the Shared Service budget. For the period 1 April 2021 to 31 March 2022 TTSP administration grants were requested from Central Government in the sum of £107,516 for Lincoln and £57,015 for North Kesteven, and although the final figures had not yet been received, these grant payments would outweigh the overspend.

35. Business Rates Update

Purpose of Report

To provide the Shared Revenues and Benefits Joint Committee with an update on current issues within non-domestic rates, related to City of Lincoln Council, North Kesteven District Council and West Lindsey District Council.

Decision

That the content of the report be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

The report focused on the changes announced as a result of Covid-19 and the support provided to businesses in the form of relief, – as grants were not directly paid by the Revenues and Benefits Shared Service, these were not covered in this report. The report also focused on the financial impact of recent appeals and reductions to rateable values.

Focus for both Government and billing authorities since the last meeting of Joint Committee had been a continuing response to Covid-19 measures announced since 11 March 2020.

The following updates were noted:

Expanded Retail Discount

At the budget on 27 October 2021 the Chancellor of the Exchequer announced a Government package of business rate measures to support businesses in England.

For 2022/23 the Chancellor set out:

- A new relief for eligible retail, hospitality and leisure properties with 50% relief on rates bills up to £110,000 per business
- A freezing of the multipliers at 49.9p (small business multiplier) and 51.2p (standard multiplier)
- The Transitional Relief and Supporting Small Business Schemes would be extended into 2022-23 as a discretionary scheme
- The scope of the discount for 2022/23 would return to pre-Covid-19 eligibility retail properties. Hospitality and leisure properties would continue to remain in scope, and the Rateable Value continued to be uncapped.

Government would reimburse LA's that used 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.

In terms of Expanded Retail Discount (ERD), the table at paragraph 4.6 of the officer's report reflected the significant reduction in the amounts awarded during 2022/23 compared to 2021/22 and 2020/21 (2020/21-100%, 2021/22-100% (April, May & June), then 66%, and 2022/23-50%.

Nursery Discount

There was no announcement in respect of nurseries for the 2022/23 financial year. Therefore, for these customers, their bills returned to their 'normal' pre-covid calculation as their additional support ended on 31st March 2022.

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. The detail of the scheme was announced on 15 December 2021 with funding amounts allocated for each authority of £2,711,060 for City of Lincoln Council, £1,719,343 for North Kesteven District Council and £1,408,044 for West Lindsey District Council

Brief guidance from the Government stated that Local Authorities would be responsible for designing the discretionary relief schemes that were to operate in their areas as detailed at paragraph 6.3 of the report.

Following discussions, guidelines for Lincoln, North Kesteven and West Lindsey, Covid Additional Relied Fund (CARF) schemes were agreed. Application forms were sent out in February 2022 to those account holders which officers identified may be eligible for this rates relief, and due to a low response, a reminder was issued in March 2022.

Steps were now being taken to award CARF to eligible businesses and further promote the scheme with the aim of significantly increasing take-up of these funds.

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, dependent 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 18% would be expected, with the reductions applying from 1 April 2017. 1970's buildings may have higher reductions of around 28%. These had now been amended as per the Valuation Office schedule.

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 improvements to the Business Rates system – which included;

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 was improved. However, the final detail of this was not available at this time and 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 available and this 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.

36. Welfare Reform Update

Purpose of Report

To provide the Shared Revenues and Benefits Joint Committee with an update regarding various areas relating to the national welfare reform agenda, as well as current initiatives to support residents.

Decision

That the content of the report be noted, with a further update to be presented to the next meeting of Shared Revenues and Benefits Joint Committee

Alternative Options Considered and Rejected

None.

Reason for Decision

This report provided Shared Revenues and Benefits Joint Committee with an update on the national and local position of welfare reform/other initiatives, with a specific focus on Universal Credit, Test and Trace Support Payments, Discretionary Housing Payments, Council Tax Hardship Fund, Household Support Fund, Council Tax Energy Rebate, and Financial Inclusion matters.

The national Welfare Reform agenda had resulted in 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; this had continued as further changes had been introduced, such as the ongoing rollout of Universal Credit. These changes had resulted in major changes to the operation of our shared service, to ensure a proactive and positive response to welfare reform and the impacts on residents.

The following updates were noted:

Universal Credit

The latest national figures published by the Department for Work and Pensions (DWP) were released on 12th April 2022, with statistics relevant to the period up to February 2022:

- 5,510,549 households receiving UC (a decrease from 5,697,267 as reported at the last meeting of this Committee).

Local authority statistics also available:

- City of Lincoln – 10,641 (10,950 as at the last report);
- North Kesteven – 6,181 (6,434 as at the last report).

On 25th April 2022, the Secretary of State for Work and Pensions made a statement in the House of Lords (regarding managed UC migration for working-age legacy benefits – with the aim of completing this migration by the end of 2024. Further information regarding the migration process was published on GOV.UK ([Completing the move to Universal Credit - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/completing-the-move-to-universal-credit)) and since then, an initial 500 cases in Bolton and Medway areas had been invited to migrate from legacy benefits to UC.

There was currently no further detail as to the rollout schedule for other areas of the country, officers had made contact with DWP colleagues locally and nationally and would report back to this Committee with relevant updates at future meetings.

COVID-19 Test and Trace Support Payments

The Test and Trace Support Payments (TTSP) scheme (with mandatory and discretionary elements) had now ended (30th April 2022). The Welfare Reform Support Team was in receipt of all applications and had undertaken assessment decisions. The team also secured further funding from Lincolnshire County Council to make TTSP related payments utilising Winter Grant Scheme monies.

In total, the team received 4,918 applications for City of Lincoln, of which at the time of writing this report on 5th May 2022, 2,091 had received a payment.

In total, the team received 2,668 applications for North Kesteven, of which at the time of writing this report on the 5th May 2022, 1,017 had received a payment.

Discretionary Housing Payments (DHP)

City of Lincoln's DHP government grant for 2021/22 was £186,707 and North Kesteven's £122,652. The impact of Universal Credit (UC) as well as Covid-19, resulted in a high demand for DHP. North Kesteven District Council allocated up to a further £40,000 to top up the funding from Central Government, to supplement the Central Government grant up to 31st March 2022. Additional funding was also in place for City of Lincoln Council to continue awarding DHP for the remainder of 2021/22, based on projection of spend.

DHP spend for the whole of the financial year 2021/22 amounted to £195,454 (104.68% of DHP Grant) for City of Lincoln and £135,260 (110.28% of DHP Grant) for North Kesteven.

Overall DHP funding for 2022/23 had been cut nationally from £140m to £100m. Consequently, grants for City of Lincoln and North Kesteven had also been reduced by more than 30% each.

In 2021/22, Government DHP grants were supplemented for both authorities through the Councils' own funds, to keep paying eligible DHP claims. Longer term this was not sustainable, therefore much consideration had been undertaken in advance of 2022/23 in terms of how the reduced grant could help to assist those most in need of help with their housing costs.

DHP had become a longer-term form of help for some residents as their financial and housing situation each year had been as such that they remained entitled to DHP. However, DHP was generally only meant to be a short-term form of financial assistance.

In 2022/23, focus would be more towards shorter-term assistance through DHP, with availability and provision of appropriate debt/benefits advice and tenancy/housing options support for residents. Officers would monitor impacts and spend closely, and an update would be provided at the next meeting of this Committee.

Council Tax Hardship Fund

As part of its response to COVID-19, the Government announced in the Budget 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 released on 24th March 2020 delivered confirmation of the grant allocation.

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

Due to a delay in an IT script being provided (due to the announcement of the Council Tax Energy Rebates), in the region of £200k (Lincoln) and £90k (North Kesteven) was still to be allocated. The intention was that this would now be allocated to identified cohorts' Council Tax accounts in the early part of 2022/23.

Household Support Fund

421 million was made available in 2021/22 for England to support those most in need over the winter period. This funding covered the period 6th October 2021 to 31st March 2022. £5,464,685.20 was 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.

A Lincolnshire Districts' scheme was live from 1st December 2021 to the end March 2022. Our Revenues and Benefits Shared Service worked with a range of other organisations making referrals, delivering these Household Support Fund payments for City of Lincoln and North Kesteven.

For the months of December 2021-March 2022, £427,562 was awarded by City of Lincoln Council and £271,082 by North Kesteven.

As part of the Chancellor of the Exchequer's Spring Statement in March 2022, a second Household Support Fund was announced. Detail was subsequently provided in April 2022, with an equivalent amount of £5.4 again being allocated to Lincolnshire County Council. Funding criteria included a new requirement for at least 33.33% of payments to be allocated to those of pension age. Advanced discussions were taking place between Lincolnshire County Council and Lincolnshire District Councils' representatives, and it was hoped an announcement on a new scheme could be made in the near future. A third scheme to cover the period from October to March 2023 had also been announced, however, further detail was awaited.

Council Tax Energy Rebate

On 3rd February 2022, Central Government announced a package of support known as the Energy Bills Rebate to help households with rising energy bills, worth £9.1 billion in 2022-23 which included:

- A £200 discount on energy bills this autumn for domestic electricity customers in Great Britain. This would be paid back automatically over the next 5 years;
- A £150 non-repayable rebate for households in England in Council Tax bands A to D, known as the Council Tax Rebate, mandatory;
- £144 million of discretionary funding for billing authorities to support households in need but not eligible for the Council Tax Rebate, known as the Discretionary Fund.

Payments of the £150 Council Tax Rebate were being made automatically as far as possible for Council Taxpayers who paid by Direct Debit, as current bank details were held for these residents. Following necessary ICT releases being made available then tested, payments started to be made in week-commencing 25th April 2022 to both local authorities.

Where the Council Taxpayer did not pay by Direct Debit, officers would be contacting customers to obtain the relevant details. It was envisaged, subject to successful system testing, that this would commence by the end of May 2022.

All payments under the mandatory scheme must have been made by 30 September 2022.

As of 31 May 2022, over 22,000 Council Tax Rebate payments had been made to City of Lincoln Council Taxpayers making payments by direct debit, and over 31,000 for North Kesteven. The first of letters to non-direct debit payers had gone out this week.