

## SHARED REVENUES AND BENEFITS JOINT COMMITTEE

**Tuesday, 31 May 2022**

**2.00 pm**

**Committee Rooms 1-2, City Hall**

- Membership: Councillors Ric Metcalfe (City of Lincoln Council), Sue Burke, Ray Cucksey (North Kesteven District Council) and Sally Tarry (North Kesteven District Council)
- Substitute members: Councillors Ian Carrington (North Kesteven District Council), Mervyn Head (North Kesteven District Council) and Donald Nannestad (City of Lincoln Council)
- Officers attending: Democratic Services (City of Lincoln Council), Jaclyn Gibson (City of Lincoln Council), Tracey Parker, Philip Roberts (North Kesteven District Council), Russell Stone (North Kesteven District Council) and Martin Walmsley (City of Lincoln Council)

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### A G E N D A

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**If members are unable to attend the meeting, please advise Cheryl Evans (Democratic Services and Elections Manager) on 01522 873439 as soon as possible. Substitute members will be contacted if they are required to attend the meeting.**

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3. Declarations of Interest	
Please note that, in accordance with the Members' Code of Conduct, when declaring interests members must disclose the existence and nature of the interest, and whether it is a disclosable pecuniary interest (DPI) or personal and/or pecuniary.	
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**Details of Next Meeting:** Thursday, 8 September 2022 (2.00 pm) in Committee Room,  
North Kesteven District Council Offices

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

**Apologies for Absence:** Councillor Sue Burke

**23. Confirmation of Minutes - 25 November 2021**

RESOLVED that the minutes of the meeting held on 25 November 2021 be confirmed.

**24. Declarations of Interest**

No declarations of interest were received.

**25. 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 31 May 2022.

Alternative Options Considered and Rejected

None.

Reason for Decision

The report provided information on revenues performance for Quarter 3 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 and Household Support Fund).

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 3 2021/22, in-year collection was down the City of Lincoln by 0.36% and up for North Kesteven by 0.01% respectively. The latest figures were reported in year collection for City of Lincoln Council was down by 3.21% and North Kesteven was down by 1.23%. 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 £2.4m for Lincoln and £3.7m for North Kesteven.

In respect of business rates, for Quarter 3 2021/22, compared to the same point in 2020/21, in-year collection was down 6.31% for Lincoln, 6.31% , 0.75% up for North Kesteven and 2.51% down for West Lindsey . 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 4.10 of the report, there had been key movements in the business rates bases in the third quarter.

At the end of quarter 3 2021/22, outstanding revenues customer cases stood at a total of 2,174, of which 1,506 were from the City of Lincoln and 668 were from North Kesteven. This was a significant decrease from 5,133 items (split Lincoln 3,454, North Kesteven 1,679) at the end of Quarter 2 2021/22. This reduction had been achieved largely through implementing additional temporary resources, including sifting and actioning items in the outstanding documents queue.

It was vital that the outstanding customers number was as low as possible before annual billing for the new financial year, therefore additional temporary resources remained in place until end of February 2022. However, due to turnover in staff on the Council Tax Administration Team, there were also vacancies being recruited to.

The table at paragraph 5.2 of the report indicated that City of Lincoln was processing benefit claims in 16.45 days, compared to North Kesteven at 16.54 during quarter three.

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.

## **26. Revenues and Benefits - Financial Monitoring Quarter 3 2021/22**

### Purpose of Report

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

### **Decision**

That the actual position at Quarter 3 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 third quarter of 2021/22 was detailed in Appendix 1 of the report, which reported an overspend against the approved budget of £63,242.

The forecast outturn for 2021/22 predicted that there would be an overspend against the approved budget of £85,807 this was against the previous forecast overspend of £62,421 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.

One of the main reasons for the forecast overspend is Benefits overtime which was largely due to the administration of Test and Trace Support Payments. Each Council had received a grant to compensate them for administration of these payments, however these grants currently sat outside the shared service budget. For the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> 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.

## **27. Revenues and Benefits - Base Budget Forecast 2022/23**

### Purpose of Report

To present the Base Budget Forecast for the Revenues and Benefits Shared Service for 2022/23.

### **Decision**

1. That the Base Budget Forecast for the Revenues and Benefits Shared Service for 2022/23 be approved.

### Alternative Options Considered and Rejected

None.

### Reason for Decision

The Base Budget Forecast for 2022/23 was included at Appendix 1 to the report, including a full reconciliation to the previous Base Budget Forecast outlined in Appendix 2.

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 were the staff savings agreed by the Shared Revenues and Benefits Joint Committee in February 2021.

A full review of each line of the budget had taken place to ensure a fair representation of the activity of the service. This had led to budgets being

transferred between different shared service functions but had not resulted in either authority significantly paying more.

## **28. 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 full details were not yet known, 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.

Although the Expanded Retail Discount would be available at 50% in 2022-23, there had been no announcement in respect of nurseries. Therefore, these customers would find that their bills returned to their 'normal' pre-covid calculation and their additional support would end on 31<sup>st</sup> 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, who had been unable to benefit from the existing relief for retail, hospitality and leisure businesses.

The details of this scheme were announced on 15<sup>th</sup> 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

A brief guidance from the Government had been issued which stated the Local Authorities would be responsible for designing the discretionary relief schemes that were to operate in their areas this was detailed at paragraph 6.3 of the report. Officers were continuing to develop a proposed scheme as a matter of priority.

#### *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.

## 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**

### 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 4,084 applications for Lincoln and 2,255 for North Kesteven for test and trace mandatory and discretionary self-isolation payments or through the winter grant scheme, with 1,550 clients for Lincoln and 774 for North Kesteven having received a payment.

Latest figures for discretionary housing payments (DHP) spend showed an unallocated grant of £3,799 remaining for City of Lincoln and £0 for North Kesteven. North Kesteven District Council had allocated a further £40,000 to top up the funding from Central Government, to supplement the central government grant up to 31<sup>st</sup> March 2022. Funding was 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 the financial year.

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.

A Lincolnshire Districts' scheme was live from 1<sup>st</sup> December 2021. The Revenues and Benefits Shared Service was working with a range of organisations making referrals, delivering Household Support Fund payments for City of Lincoln and North Kesteven. The total amount awarded for December 2021 was £39,166 for City of Lincoln and £29,892 for North Kesteven.

Central Government had announced a new scheme to assist with energy costs. The announcement stated that the scheme would pay £150 in respect of properties identified as being in Council Tax bands A-D, the details of the scheme had not yet been received, but would be provided at a future meeting of the Joint Committee.



<b>SUBJECT:</b>	<b>PERFORMANCE UPDATE</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE</b>
<b>REPORT AUTHOR:</b>	<b>MARTIN WALMSLEY, HEAD OF SHARED REVENUES AND BENEFITS</b>

**1. Purpose of Report**

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

**2. Executive Summary**

2.1 This report provides an update on Revenues and Benefits performance, in respect of annual outturns for the financial year 2021/22.

2.2 The Revenues and Benefits Shared Service has now been in operation for eleven years, forming on 1<sup>st</sup> 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 8<sup>th</sup> February 2022 meeting of this Committee, a report was presented detailing Revenues and Benefits performance up to the end of Quarter 3 2021/22.

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

**4. Revenues Performance**

**4.1 Council Tax**

4.2 For the financial year 2021/22, in-year collection for Lincoln and North Kesteven is down by 0.78% and up by 0.35% respectively, compared to 2020/21. The impacts of Covid-19 on residents' incomes has 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 so that undue financial hardship to taxpayers is avoided.

4.3 The table below showing how performance has progressed since the shared service formed in June 2011.

Financial Year	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
City of Lincoln	94.00%	94.78%	96.77%	96.76%	97.17%	97.09%	97.12%	96.93%	96.56%	96.32%	96.80%
North Kesteven	98.38%	98.03%	98.89%	99.08%	99.20%	99.14%	99.16%	99.25%	99.16%	99.13%	99.40%

4.4 Net collectable debit for 2021/22 (compared to 2020/21) increased by £2,728,406 million for Lincoln and £3,115,475 for North Kesteven.

4.5 It should also be noted that 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 requires a script from our ICT system supplier (NEC, previously Northgate). Understandably, NEC resources have been diverted to the Council Tax energy Rebate, - the script to allocate Council Tax Hardship monies is now being picked up again in the early part of 2022/23.

#### 4.6 Business Rates

4.7 For the financial year 2021/22 in-year collection for Lincoln is down by 0.52%, North Kesteven up by 2.53% and West Lindsey down by 1.15%. 2021/22 is not wholly comparable to 2020/21 due to a reduction in Expanded Retail Discount.

4.8 The table below showing how performance has progressed since the shared service formed in June 2011.

Financial Year	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
City of Lincoln	98.45%	98.97%	98.89%	99.81%	98.87%	99.43%	99.78%	99.46%	99.31%	99.08%	99.20%
North Kesteven	99.74%	97.21%	99.43%	99.42%	99.89%	99.09%	99.46%	99.78%	99.53%	99.93%	99.70%
West Lindsey	96.75%	97.90%	98.88%	98.63%	98.53%	97.34%	99.44%	99.17%	99.12%	99.13%	98.90%

## 4.9

The tables below show key movements in the Business Rates bases over the last year.

2021/22 NDR 1 Figures and Comparison - City of Lincoln Council				
NDR account information	Original Estimates on the NDR1 Return. Includes an estimate for growth/decline	Final figures at the end of the financial Year for the relevant year	Final figures at the end of the financial year including changes to previous years	Key Business Movements
Forecast - Gross Rates	£55,625,179	£55,569,971	£53,249,699	For the year 2021-22, the announcement of the new retail relief scheme was not made until after the NDR1 had been produced. A cap was included in the new scheme and a number of customers were ineligible for the new scheme. The retail relief for 2020 being approx £29m and the retail relief for 2021 being £9.6m.  Empty properties continued to be a problem as the Covid pandemic still continued to hit businesses.
Transitional arrangements	£21,043	£17,675	£186,314	
Mandatory reliefs - includes SBRR and Charity	-£7,927,465	-£8,118,272	-£8,884,485	
Unoccupied property relief	-£2,000,000	-£2,780,614	-£2,933,676	
Discretionary relief - includes charity top up, not for profit and rural rate relief	-£386,967	-£54,380	-£57,226	
S31 - funded , includes the original retail relief scheme	-£6,904	-£9,684,237	-£9,435,915	
Net Rates Payable	£45,324,866	£34,950,143	£32,124,711	

2021/22 NDR 1 Figures and Comparison - North Kesteven District Council				
NDR account information	Original Estimates on the NDR1 Return. Includes an estimate for growth/decline	Final figures at the end of the financial Year for the relevant year	Final figures at the end of the financial year including changes to previous years	Key Business Movements
Forecast - Gross Rates	£37,427,524	£37,545,709	£37,293,631	For the year 2021-22, the announcement of the new retail relief scheme was not made until after the NDR1 had been produced. A cap was included in the new scheme and a number of customers were ineligible for the new scheme. The retail relief for 2020 being approx £9.5m and the retail relief for 2021 being £3.9m.  Empty properties continued to be a problem as the Covid pandemic still continued to hit businesses.
Transitional arrangements	-£201,936	-£338,683	-£372,915	
Mandatory reliefs - includes SBRR and Charity	-£5,702,496	-£6,601,042	-£6,728,135	
Unoccupied property relief	-£609,392	-£957,006	-£963,774	
Discretionary relief - includes charity top up, not for profit and rural rate relief	-£169,077	-£277,118	-£277,272	
S31 - funded , includes the original retail relief scheme	-£40,768	-£4,025,639	-£3,999,413	
Net Rates Payable	£30,703,855	£25,346,221	£24,952,122	

4.10 **Outstanding Revenues Documents**

4.11 As at the end of the financial year 2021/22, outstanding Revenues documents stood at a total of 3,022 (split Lincoln 2,046, North Kesteven 976). Although this figure is higher than the total figure at the end of 2020/21 (2,111), this is as a result of significant demand on the Council Tax Team – with house moves increasing sharply, as well as due to the ongoing impacts from Covid-19 during 2021/22, also unforeseen reductions in staffing resources at

points during the year. At the end of October 2021, there were 5,101 outstanding Revenues customers awaiting to be processed (split Lincoln 3,367, North Kesteven 1,734) which demonstrates progress made in the second half of 2021/22.

- 4.12 To give some context as to the workload of the Revenues Team, the table below shows some of the key demands the team has dealt with in 2021/22:

	Phone calls answered	Received Correspondence
<b>Council tax (administration and recovery)</b>	38,184	26,148
<b>Non Domestic Rates/ BID Levy</b>	3,997	10,786
<b>Former Tenant Arrears</b>	2,130	376
<b>Sundry Debts</b>	<i>Shares phone line with Former Tenant Arrears</i>	1,655
<b>Overpayment of Housing Benefit</b>	1,019	752
<b>Council Tax - emails (administration)</b>		20,463
<b>Totals</b>	<b>45,330</b>	<b>60,180</b>

#### 4.13 Housing Benefit Overpayments

- 4.14 As at the end of the financial year 2021/22, in-year collection rates and outstanding monies are as shown in the table below:

Financial year 2020/21 outturn	City of Lincoln	North Kesteven
In-year collection rate	167.76%	102.89%
Amount collected	£992,963	£454,384
Outstanding Housing Benefit overpayments debt	£2,661,801	£1,418,662

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

## 5. Benefits Performance

- 5.1 As at the end of the financial year 2021/21, there were 2,768 Benefits customers outstanding (awaiting assessment) – split Lincoln 2,117, North Kesteven 651. This is 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 has meant it has 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 requiring processing continues to have a real impact on the team, too.

- 5.2 Despite the increase in claims and outstanding workload, due to efficient and proactive processes in place, Benefit claims were assessed on a timely basis – as shown in the table below.

<b>Financial Year 2021/22</b>	<b>City of Lincoln</b>	<b>North Kesteven</b>
New Claims – average time to process	16.54 days <i>(2020/21 16.91 days)</i>	17.34 days <i>(2020/21 15.42 days)</i>
Changes of Circumstance – average time to process	3.55 days <i>(2020/21 2.88 days)</i>	2.80 days <i>(2020/21 2.56 days)</i>

To give this some context, the latest national data available shows that in Quarter 3 2021/22 New Claims were processed in an average of 19 days by Councils, with Changes of Circumstance being processed in an average of 8 calendar days. This helps to reaffirm the positive nature of Lincoln and North Kesteven average processing times.

- 5.3 The importance in processing Benefits claims accurately remains of paramount importance, – i.e. ‘getting it right, first time’. In 2021/22, City of Lincoln’s ‘right first time’ assessment of cases checked is 97% (440 out of 453) and for North Kesteven 96% (820/853). The difference in the number of checks was due to the higher number of trainees working on North Kesteven work during 2021/22, hence more checks being undertaken.

It should be noted that these checks are in addition to those carried out through the checks required to be carried out under the requirements of the annual Housing Benefit Subsidy claims.

## 6. Welfare and Benefits Advice

- 6.1 The table below shows the vital monies that our Welfare Team has continued to assist customers to access during 2021/22 (*comparing to 2020/21*). The demographics and demands are such in the districts, with Covid-19 undoubtedly having an impact in North Kesteven where home visits (which had pre-Covid been a key way of offering welfare/benefits advice) not being possible to deliver in the same way. As the new financial year 2021/22 moves forward, officers will further develop the new ways of working to ensure customers can access the services of this team through a variety of different methods.

6.2

	<b>City of Lincoln</b>		<b>North Kesteven</b>	
	<b>2021/22</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2020/21</b>
Advice provided enabling weekly value of additional benefits	£22,752	£19,522	£9,839	£9,581
Advice provided enabling lump sum award of additional benefits	£299,193	£311,249	£128,069	£112,219
No. of customers to whom help provided	6,848	5,806	1,234	1,024
No. money advice referrals	134	102	59	50

## 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, Employment, Skills 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 8<sup>th</sup> September 2022.

**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?** Appendix 1: Performance Data for the Financial Year 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 31<sup>st</sup> May 2022  
 Performance Update  
 Appendix 1: Performance Data Financial Year 2021/22

<b>Measure</b>	<b>2021/22 Annual Outturn</b>		<b>2020/21 Annual Outturn</b>	
	<b>NK</b>	<b>COL</b>	<b>NK</b>	<b>COL</b>
<b>Local Authority</b>				
<b>Council Tax collection (cumulative)</b>	98.38%	94.00%	98.03%	94.78%
<b>NNDR collection (cumulative)</b>	99.74%	98.45%	97.21%	98.97%
<b>NNDR collection – WLDC (cumulative)</b>	96.75%		98.88%	
<b>No. Revenues customers awaiting change to be processed</b>	976	2,046	461	1,650
<b>Total Net Arrears for Council Tax prior years (i.e. not including current year)</b>	£1,813,006	£2,197,469	£1,506,747	£3,243,876
<b>Total Net Arrears for NNDR prior years (i.e. not including current year)</b>	£47,360	£117,570	£61,847	£121,299
<b>Housing Benefit overpayments collection in period</b>	102.89%	167.76%	104.40%	160.84%
<b>Outstanding Housing Benefit overpayments debt</b>	£1,418,662	£2,661,801	£1,471,374	£3,153,505
<b>Housing Benefit New Claims: Average number of days to process (cumulative)</b>	17.34 days	16.54 days	15.42 days	16.91 days
<b>Housing Benefits Changes of Circumstances: Average number of days to process (cumulative)</b>	2.80 days	3.55 days	2.56 days	2.88 days
<b>No. Benefits customers awaiting assessment (cumulative)</b>	651	2,117	743	2,123
<b>% Benefits claims checked financially correct (cumulative)</b>	96%	97%	96%	93%

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**SUBJECT: REVENUES AND BENEFITS - FINANCIAL OUTTURN 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 provide Members with the financial outturn for the Revenues and Benefits shared service for 2021/22.

## **2. Executive Summary**

### **2.1 2021/22 Outturn**

The 2021/22 financial outturn for the Revenues and Benefits shared service resulted in an overspend of £41,927, a variance of 1.7% of the revised budget. This is prior to a recharge for new IT Kit totalling £38,914.62 split on the agreed proportions between both authorities as follows £20,795.48 Lincoln /£18,119.14 North Kesteven.

## **3. Background**

### **3.1 2021/22 Outturn**

The approved budget for 2021/22 was agreed by Revenues and Benefits Joint Committee on 23<sup>rd</sup> 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 23<sup>rd</sup> February 2021. 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 3 the budget was further increased to reflect additional New Burdens grants totalling £1,650.
- 3.5 At quarter 4 the budget has been increased by a further £9,010 to reflect additional New Burdens grants as detailed in paragraph 3.6.

3.6 The budget has been revised as follows: -

	<b>CoLC</b>	<b>NKDC</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Original Budget</b>	<b>1,342,040</b>	<b>1,178,040</b>	<b>2,520,080</b>
Deletion of Vacant posts	(34,500)	(25,610)	(60,110)
New Burdens – Q1 (detailed in previous report)	8,900	8,890	17,790
New Burdens – Q2 (detailed in previous report)	-	-	-
New Burdens – Q3 (detailed in previous report)	820	830	1,650
New Burdens – Q4 Incapacity Benefit Reassessment (IBR)	1,410	750	2,160
New Burdens – Q4 Specified Accommodation	5,830	1,020	6,850
<b>REVISED BUDGET</b>	<b>1,324,510</b>	<b>1,163,910</b>	<b>2,488,420</b>

#### 4. Financial Outturn 2021/22

4.1 Financial performance for the year 2021/22 is detailed in Appendix 1 to this report. At outturn, quarter 4, after the application of the above budget adjustments, there is an overspend against the approved budget of £41,927, an improvement against the forecast overspend of £85,807 as at quarter 3.

The outturn position of £41,927 is prior to recharges for new IT Kit totalling £38,914.62.

4.2 A summary of the main 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 (TTSP). Each Council has received a grant to compensate them for administration of these payments, however these grants sit are outside the shared service budget. For the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022, Test and Trace Support Payments administration grants have been requested from central government as follows – City of Lincoln £107,516, North Kesteven £57,015.

<u>Service Area</u>	<u>£</u>	<u>Reason for variance</u>
<b>Benefits</b>		
Overtime	53,110	Additional hours required as a result of increased demand due to the Covid-19 pandemic response and TTSP administration.
Postage	(31,880)	Reduction in postage costs as a result of changes in distribution.
IT Costs	12,430	Increased IT costs partially funded through New Burdens funding.
Recharges	(8,000)	LiNK Housing Benefit Subsidy Partnership income.
<b>Revenues Local Taxation</b>		
Staffing Costs	(51,510)	Vacancy savings for first 5 months – recruitment now in place.
Overtime & Agency Costs	14,050	Overtime & agency costs in response to the backlog as a result of vacancies and increased workloads due to Covid-19.
Postage Costs	12,830	Overspend as a result of increased requirements in year.
IT Costs	20,510	New Software requirements.
IT Costs	47,090	Empty Homes Review – Sep-21
Recharges	(5,795)	Additional Link NNDR Service Provision income.
<b>Benefits/Money Advice</b>		
Staffing Costs	(15,510)	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. Recommendation

7.1 Members are recommended to note the financial outturn for 2021/22, including the budget adjustments as set out in paragraph 3.6.

**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?** One

**List of Background Papers:** None

**Lead Officer:** Martin Walmsley  
Telephone 01522 873597

## Appendix 1 Financial Outturn for 2021/22

### Running Costs

	Annual Budget			Outturn			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits									
Management	183,130	183,130	366,260	184,306	184,306	368,613	1,176	1,176	2,353
Benefits	634,760	458,220	1,092,980	646,451	466,659	1,113,110	11,691	8,439	20,130
Revenues Local Taxation	391,200	407,160	798,360	408,717	425,391	834,108	17,517	18,231	35,748
Money Advice	115,410	115,410	230,820	107,259	107,259	214,517	(8,151)	(8,151)	(16,303)
Adjustment for Agency Expenditure:				(5,702)	(5,934)	(11,636)	(5,702)	(5,934)	(11,636)
				7,757	3,879	11,636	7,757	3,879	11,636
<b>Outturn 2021/22</b>	<b>1,324,500</b>	<b>1,163,920</b>	<b>2,488,420</b>	<b>1,348,788</b>	<b>1,181,560</b>	<b>2,530,347</b>	<b>24,288</b>	<b>17,640</b>	<b>41,927</b>
<u>Final Adjustments</u>									
New M365 IT Kit				20,796	18,119	38,915	20,796	18,119	38,915
<b>Final Outturn 2021/22</b>	<b>1,324,500</b>	<b>1,163,920</b>	<b>2,488,420</b>	<b>1,369,584</b>	<b>1,199,679</b>	<b>2,569,262</b>	<b>45,084</b>	<b>35,759</b>	<b>80,842</b>

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**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 At the Budget on 27 October 2021, the Chancellor announced that the Government would provide a package of business rates 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 extending into 2022-23 as a discretionary scheme
- The scope of the discount for 2022/23 will return to pre-Covid-19 eligibility retail properties. Hospitality and leisure properties will continue to remain in scope, and

the Rateable Value continues to be uncapped.

4.2 Eligibility criteria was set out by the Department for Levelling Up, Housing and Communities (DLUHC) and issued to Local Authorities on 20 December 2021. This can be found here:

- [Business Rates Information Letter 9/2021 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)
- [Business rates guidance: 2022/23 Retail, Hospitality and Leisure Relief Scheme - GOV.UK \(www.gov.uk\)](https://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 2022/23 compared to 2021/22 and 2020/21 (2020/21 100%, 2021/22 100% (April, May & June), then 66%, 2022/23 50%:

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
2022/23	£2,516,632	£1,384,007	£818,189

## 5. Nursery Discount

5.1 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 31<sup>st</sup> 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 15<sup>th</sup> 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 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.

No of applications returned	City of Lincoln	North Kesteven	West Lindsey
	51	18	25

Steps are 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.

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

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

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

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

- 7.4 Whilst the initial reductions will flow from GPCR Challenges, the scheme reductions the VOA have agreed will likely be actioned on any existing and future Check cases; these can be actioned as soon as the VOA have confirmation all physical factors they hold in their surveys are correct.
- 7.5 On 20 May 2021 we received a further notification from the Valuation Office that there was a CPCR Challenge regarding Court Buildings. This has been completed on a representative group of around 30 Courts. The agreed basis results in average reductions of around 18% - 1970’s buildings may have higher reductions of around 28%. These reductions could go back to 1<sup>st</sup> April 2017. These have now been amended as per the Valuation Office schedule

Affected numbers within the shared service, are as below:

<b>Local Authority</b>	<b>No. hereditaments</b>	<b>Charge for 2021/22</b>	<b>Charge for 2022/23</b>
City of Lincoln	Combined (x2)	£325,120 £61,952	(i)£271,360 (ii)£57,344
North Kesteven	0		
West Lindsey	0		

- (i) Rateable Value was 635,000 now 530,000 from 1.4.2017
- (ii) Rateable Value was 121,000 now 112,000 from 21.11.2017.

## **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 1<sup>st</sup> April 2023, the next being 1<sup>st</sup> 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 1<sup>st</sup> April 2023, the rateable value will be assessed based on the rental evidence on 1<sup>st</sup> 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 financial 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

**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 various areas relating to the national welfare reform agenda, as well as current initiatives to support residents.

**2. Executive Summary**

- 2.1 This report provides Joint Committee with an update with regard to 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.

**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. Universal Credit (UC)**

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

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

Local authority statistics are 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).

- 4.2 On 25<sup>th</sup> April 2022, the Secretary of State for Work and Pensions Therese Coffey made a statement in the House of Lords ([Written statements - Written questions, answers and statements - UK Parliament](#)) 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 has been published on GOV.UK ([Completing the move to](#)

[Universal Credit - GOV.UK \(www.gov.uk\)](https://www.gov.uk)) and since then, an initial 500 cases in Bolton and Medway areas have been invited to migrate from legacy benefits to UC.

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

## 5. COVID-19 Test and Trace Support Payments

- 5.1 The Test and Trace Support Payments (TTSP) scheme (with mandatory and discretionary elements) has now ended (on 30<sup>th</sup> April 2022). The Welfare Reform Support Team has received all applications and 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 the 5<sup>th</sup> May 2022, 2,091 have received a payment. A breakdown of the applications is shown in the table below:

### City of Lincoln:

	Received	Unsuccessful	Total Paid/Eligible	Value
Mandatory	1,426	584	837	£418,500
Discretionary	3,399	2,198	1,206	£603,000
Winter Grant Scheme	93	45	48	£24,000
<b>Total</b>	<b>4,918</b>	<b>2,827</b>	<b>2,091</b>	<b>£1,045,500</b>

In total, the team received 2,668 applications for North Kesteven, of which at the time of writing this report on the 5<sup>th</sup> May 2022, 1,017 have received a payment. A breakdown of the applications is shown in the table below:

### North Kesteven:

	Received	Unsuccessful	Total Paid/Eligible	Value
Mandatory	794	341	453	£222,500
Discretionary	1,829	1,292	537	£272,500
Winter Grant Scheme	45	18	27	£13,500
<b>Total</b>	<b>2,668</b>	<b>1,651</b>	<b>1,017</b>	<b>£508,500</b>



## 6. Discretionary Housing Payments (DHP)

- 6.1 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 31<sup>st</sup> 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.
- 6.2 The table below breaks down the number of DHP applications received and determined up in Quarter 4 2021/22.

<b>DHP applications – Year Quarter 4 2021/22</b>	<b>City of Lincoln</b>	<b>North Kesteven</b>
Total number awarded	594 <i>(Quarter 4 2020/21 = 589)</i>	343 <i>(Quarter 4 2020/21 = 293)</i>
No. awarded for Housing Benefit	293 <i>(Quarter 4 2020/21 = 349)</i>	160 <i>(Quarter 4 2020/21 = 144)</i>
No. awarded for Universal Credit	301 <i>(Quarter 4 2020/21 = 240)</i>	183 <i>(Quarter 4 2020/21 = 149)</i>
Average DHP award	£329.05 <i>(Quarter 4 2020/21 = £384.78)</i>	£394.34 <i>(Quarter 4 2020/21 = £464.40)</i>

6.3

The table below shows DHP spend for the whole of the financial year 2021/22.

	<b>Total funding = Central Government DHP Grant 2021/22</b>	<b>DHP net spend as at 31<sup>st</sup> March 2022</b>	<b>DHP Total spend for 2021/22</b>	<b>% Grant spend</b>
<b>City of Lincoln</b>	£186,707	£195,454	£195,454	104.68%
<b>North Kesteven</b>	£122,652	£135,260	£135,260	110.28%

- 6.4 Overall DHP funding for 2022/23 has been cut nationally from £140m to £100m. Consequently, grants for City of Lincoln and North Kesteven have also been reduced by more than 30% each. The table below shows the 2022/23 government grants, - also, for reference/information – DHP grants going back to 2012/13 (inclusive).

	<b>City of Lincoln Council central government DHP grant</b>	<b>North Kesteven central government DHP grant</b>
<b>2022/23</b>	<b>£129,643</b>	<b>£85,166</b>
2021/22	£186,707	£122,652
2020/21	£250,113	£172,612
2019/20	£178,674	£113,943
2018/19	£208,624	£126,693
2017/18	£242,505	£140,972
2016/17	£173,675	£107,514
2015/16	£139,678	£99,977
2014/15	£194,308	£107,365
2013/14	£199,741	£98,229
2012/13	£98,865	£42,589

- 6.5 In 2021/22, government DHP grants needed to be supplemented for both authorities – through Councils’ own funds, to keep paying eligible DHP claims. Longer-term this is not sustainable, therefore much consideration has been undertaken in advance of 2022/23 in terms of how the reduced grant can help to assist those most in need of help with their housing costs.

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

In 2022/23, focus will 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 will monitor impacts and spend closely, - an update will be provided at the next meeting of this Committee.

## **7. Council Tax Hardship Fund**

- 7.1. As part of its response to COVID-19, the Government announced in the Budget on 11<sup>th</sup> 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 24<sup>th</sup> 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.

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) is still to be

allocated. The intention is that this will now be allocated to identified cohorts' Council Tax accounts in the early part of 2022/23.

## 8. Household Support Fund

8.1 £421 million was made available in 2021/22 England to support those most in need over the winter period. This funding covered the period 6<sup>th</sup> October 2021 to 31<sup>st</sup> 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.

The funding was primarily to 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 have been spent on families with children.

A Lincolnshire Districts' scheme was live from 1<sup>st</sup> 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 to March 2022, the following awards were made:

### City of Lincoln

Category	Food	Energy	Essentials linked to Energy & Water	Wider Essentials	
Number of families without children	628	401	39	223	
Number of families with children	953	606	84	532	
<b>Total Amount of Award</b>	£241,900	£97,742	£12,400	£75,500	<b>Total Paid £427,542</b>

### North Kesteven

Category	Food	Energy	Essentials linked to Energy & Water	Wider Essentials
Number of families without children	388	384	33	173
Number of families with children	578	438	58	173

<b>Total Amount of Award</b>	£146,000	£81,382	£9,100	£34,600	<b>Total Paid £271,082</b>
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8.2 As part of the Chancellor of the Exchequer's Spring Statement in March 2022, a second Household Support Fund was announced. Detail has subsequently been provided in April 2022, with an equivalent amount of £5.4 being allocated to Lincolnshire County Council again. Fund criteria this time also includes a new requirement for at least 33.33% of funding to be allocated to those of pension age. Advanced discussions are taking place between Lincolnshire County Council and Lincolnshire District Councils' representatives, and it is hoped an announcement on a new scheme can be made in the near future.

## 9. Council Tax energy Rebate

9.1 On 3<sup>rd</sup> 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. This includes:

- A £200 discount on energy bills this autumn for domestic electricity customers in Great Britain. This will 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;
- £144 million of discretionary funding for billing authorities to support households who are in need but are not eligible for the Council Tax Rebate, known as the Discretionary Fund.

9.2 Funding has been announced, as follows:

City of Lincoln:

- Non-Discretionary Scheme (i.e. £150 to eligible Council Tax Band properties): £6,103,200;
- Discretionary Scheme: £196,950.

North Kesteven:

- Non-Discretionary Scheme (i.e. £150 to eligible Council Tax Band properties): £6,747,150;
- Discretionary Scheme: £121,800.

9.3 With certain specified exceptions (for example, empty properties), households in Council Tax Bands A-D are entitled to one payment of £150.

9.4 Payments are being made automatically for Council Taxpayers who pay by Direct Debit, as current bank details are held for these residents. Following necessary ICT releases being made available then tested, payments started to be made in week-commencing 25<sup>th</sup> April 2022 to both local authorities.

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

Due diligence will be in place to check bank account arrangements, using such systems such as Spotlight (which has also been used for business grants).

All reasonable steps are to be taken to obtain bank account details for all customers who are eligible under this scheme. However, where it has not been possible to obtain bank details, the Council can pay the £150 rebate onto the person's Council Tax account.

All payments under the mandatory scheme must be made by 30<sup>th</sup> September 2022.

- 9.5 In Lincoln, 44,617 properties are in Bands A-D – equivalent to 95.7% of the total number of domestic properties in the City. The most recently available statistics show that 24,268 of Bands A-D households are paying Council Tax by Direct Debit (i.e. 54.4%), and 1,330 Band E-H households (i.e. 65.9%).

In North Kesteven, 47,453 properties are in Bands A-D – equivalent to 89.3% of the total number of domestic properties in the District. The most recently available statistics show that 34,465 of Bands A-D households are paying Council Tax by Direct Debit (i.e. 72.6%), and 4,932 Band E-H households (i.e. 87.2%).

A verbal update on mandatory scheme spend will be provided to this Committee on 31<sup>st</sup> May 2022.

- 9.6 As mentioned in paragraphs 8.1 and 8.2 (above), government has also provided funding for local authorities to operate a discretionary fund for households in need who would not otherwise be eligible. This could include, for example, individuals who live in properties valued in Council Tax bands E to H.

All Discretionary Fund payments must be made by 30<sup>th</sup> November 2022.

A verbal update on development of Discretionary Fund schemes will be provided to this Committee on 31<sup>st</sup> May 2022.

## **10. Financial Inclusion**

- 10.1 Financial inclusion continues to be 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 is currently further developing 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, into an action plan to deal with current cost of living pressures to residents.

## **11. Strategic Priorities**

11.1 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”.

11.2 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, Employment, Skills and Partnership Working are all key priorities for the shared service.

## **12. Organisational Impacts**

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

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

## **13. Risk Implications**

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

## **14. Recommendation**

14.1 Joint Committee notes this report, also that a further update will be presented at the next meeting of this Committee.

<b>Key Decision</b>	No
<b>Do the Exempt Information Categories Apply</b>	No
<b>Call In and Urgency:</b> Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No
<b>Does the report contain Appendices?</b>	No
<b>If Yes, how many Appendices?</b>	None
<b>List of Background Papers:</b>	No
<b>Lead Officer:</b>	Rebecca Cox, Welfare Reform and Project Lead, Welfare.Reform@lincoln.gov.uk

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