

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

1. Confirmation of Minutes - 31 May 2022

RESOLVED that the minutes of the meeting held on 31 May 2022 be confirmed and signed by the Chair.

2. Declarations of Interest

No declarations of interest were received.

3. 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 the Committee on 24 November 2022.

Alternative Options Considered and Rejected

None.

Reason for Decision

The report provided information on revenues performance for Quarter 1 2022/23 in respect of (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 eleven 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, up to the end of Quarter 1 2022/23, in-year collection for Lincoln and North Kesteven was up by 0.89% and 0.24% respectively. This was a positive direction in travel, officers would do everything possible to continue this trajectory going forward. Net collectable debit for 2022/23 (compared to 2021/22) had increased by £1.9 m for Lincoln and £4.5m for North Kesteven.

In terms of the national context, the latest available figures related to annual Council Tax in-year collection outturns 2021/22. City of Lincoln Council's in-year collection was 266th (2020/21 238th) and North Kesteven 28th (2020/21 35th) out of 308 local authorities whose performance was reported. Out of the seven Lincolnshire Districts, for 2021/22, City of Lincoln and North Kesteven achieved 7th and 2nd highest collections respectively.

There were some outstanding Council Tax Hardship monies still to be allocated to identified Council Tax accounts, which would have a positive impact on 2021/22 in-year collection rates. However, with the significant pressures of delivering the Council Tax Energy Rebate Scheme, resources had understandably been diverted, - however, these outstanding hardship monies were expected to be allocated shortly.

In respect of business rates, up to the end of Quarter 1 2022/23, compared to the same point in 2021/22, in-year collection was up for all three local authorities: by 7.50% for Lincoln, 2.81% up for North Kesteven and 2.04% for West Lindsey. Collection had been 'skewed' somewhat in recent financial years due to varying criteria/awards of the Expanded Retail Discount (ERD)

In terms of the national context, the latest available figures were for annual Business Rates in-year collection outturns 2021/22. City of Lincoln Council's in-year collection was 48th (2020/21 7th), North Kesteven 1st (2020/21 46th) and West Lindsey 170th (2020/21 28th) out of 308 local authorities whose performance was reported. Out of the seven Lincolnshire Districts, for 2020/21, City of Lincoln, North Kesteven and West Lindsey achieved 3rd, 1st and 4th highest collections, respectively.

It was a significant positive achievement for LiNK to have collected the highest Business Rates in-year collection rate in the whole country for 2021/22, in a year of unprecedented challenges economically as well as demands on our shared service.

In terms of West Lindsey's 2021/22 collection rate, this was adversely affected by significant values of non-payment from a small number of businesses. Appropriate recovery action continues to take place with these accounts.

As at the end of the Quarter 1 2022/23, the number of outstanding revenues customers stood at a total of 2,323, of which 1,838 were from the City of Lincoln and 485 from North Kesteven. This improvement was pleasing, even more so considering the level of outstanding work at the end of October 2021 was 5,101 (split Lincoln 3,367 North Kesteven 1,734), where demands on the team had remained significantly high over an extended period of time – also impacted by reduced staffing resources. The team, with officers in place to fill gaps in the establishment, had worked tremendously hard to pull performance round in this area. However, there were currently three positions out to recruitment advert on our Revenues Team – so there was now a pressure on resources – it was hoped that this would only be relatively short-term.

As at the end of Quarter 1 2022/23, in-period collection of Housing Benefit overpayments stood at 126.84% for City of Lincoln and 141.71% for North Kesteven Outstanding Housing Benefit overpayments debt also continued to decrease overall as at the end of Quarter 1 2022/23, at £2,604,637 for City of Lincoln and £1,357,357 for North Kesteven

As at the end of Quarter 1 2022/23, there were 3,654 Benefit customers outstanding and awaiting assessment, (split Lincoln 2,544, North Kesteven 1,110) This figure was higher than the same point in 2021/22 (total 3,375 – split Lincoln 2,587, North Kesteven 788), - and also from the end of March 2022 (total 2,768 – split Lincoln 2,117, North Kesteven 651). There continued to be a significant demand on the Benefits Team, particularly in relation to (but not exclusively) Universal Credit -related information impacting on Housing Benefit and Council Tax Support claims. At the same time, Benefits Officers were also working on Discretionary Housing Payments, Council Tax Energy Rebate and Household Support Fund.

Direction of travel was now improving however – for example, at 15th June 2022, there were a total of 4,802 Benefits customers outstanding – by 10th August 2022 (when this report was being written) – this figure had reduced to 2,027.

In terms of claims checked that were 'correct, first time' (with even £0.01p 'out' being classified as an incorrect assessment), at the end of Quarter 1 2022/23 the City of Lincoln figure stood at : 94.32% (216 out of 229 checked), and North Kesteven: 94.09% (207 out of 220 checked).

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

Provision of welfare and benefits advice continued to be key as our Welfare Team continued to assist customers to access vital monies in the first quarter of 2022/23. Further detail was set out within the table at Paragraph 6.2 of the officer's report.

4. Revenues and Benefits - Financial Monitoring Quarter 1 2022/23

Purpose of Report

To provide the Shared Revenues and Benefits Joint Committee with the first quarter's (ending 30 June 2022) performance for the Revenues and Benefits Shared Service for 2022/23, as detailed at Appendix 1 to the report.

Decision

That the actual position as detailed within the report be noted.

Alternation Options Considered and Rejected

None.

Reason for Decision

The approved budget for 2022/23 was agreed by the Shared Revenues and Benefits Joint Committee on 8 February 2022, which set a budget of £2,516,830 for the service.

At Quarter 1 the budget was increased to reflect New Burdens grants totalling £22,115 as detailed within paragraph 3.2 of the officers report.

Financial performance for the first quarter of 2022/23 as detailed at Appendix 1 of the officer's report resulted in an underspend against the approved budget of £10,376.

The forecast outturn for 2022/23 predicted that there would be an underspend against the approved budget of £10,326, as detailed at Appendix 2 of the officer's report.

The main forecast year-end variations against the approved budget for 2022/23 were noted within the table at paragraph 4.4 of the officer's report:

One of the main reasons for the forecast overspend within the Revenues Local Taxation team was due to additional postage and IT costs as a result of administering the Council Tax Energy Rebate payments. Each Council had received a grant to compensate them for this cost, along with other administration costs associated with these payments, however, these grants sat outside of the shared service budget.

For the period 1 April 2022 to 30 June 2022, New Burdens Grants had been received from Central Government of £59,673 for City of Lincoln Council and £64,514 for North Kesteven District Council.

5. 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.

Eligibility criteria was set out by the Department for Levelling Up, Housing and Communities (DLUHC), issued to local authorities on 20 December 2021 as detailed at paragraphs 4.2-4.4 of the officer's report.

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%.at the end of Quarter 1

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 5.3 of the officer's report.

Following discussions, guidelines for Lincoln, North Kesteven and West Lindsey, Covid Additional Relied Fund (CARF) schemes were agreed.

Round 1 application closed on 31 March 2022 with those accounts that met the criteria of losses of 30% or more had been awarded 100% CARF relief for their 2021/22 liability.

Due to the low take up in Round 1, Round 2 of the application process was opened inviting businesses as advertised on social media to claim if they had 20% or more in losses by 31 July 2022.

Steps were now being taken to 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, subject to wide variation 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.

6. 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, 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 19 July 2022, with statistics relevant to the period up to May 2022:

- 5,541,902 households receiving UC (a decrease from 5,510,549 as reported at the last meeting of this Committee).

Local authority statistics also available:

- City of Lincoln – 10,477 (10,641 as at the last report);
- North Kesteven – 6,091 (6,181 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. Truro and Falmouth had been announced as the next two areas as part of the UC 'discovery phase'.

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 2,091 had received a payment.

In total, the team received 2,668 applications for North Kesteven, of which 1,017 had received a payment.

Discretionary Housing Payments (DHP)

City of Lincoln's DHP government grant for 2022/23 was £129,643 and North Kesteven's £85,166. The recent mid-year additional DHP grant announcement had increased both amounts marginally, therefore 2022/23 grants were now £132,330(Lincoln) and £86,931 (North Kesteven)

The number of DHP applications received and determined in Quarter 1 2022/23 was detailed at paragraph 6.2 of the officers report.

DHP spend for up to the end of Quarter 1 of the financial year 2022/23 amounted to £52,969 (40.03% of DHP Grant) for City of Lincoln and £37,982 (43.69% 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 29% 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 to determine they remained entitled to DHP. However, DHP was generally only meant to be a short-term form of financial assistance.

In 2022/23, focus was now more towards shorter-term assistance through DHP, with availability and provision of appropriate debt/benefits advice and tenancy/housing options support for residents. Officers continued to monitor impacts and spend closely.

Household Support Fund

421 million was made available in 2021/22 for England to support those most in need over the winter period. At least 50% must be spent on families with children. This funding covered the period 6th October 2021 to 31st March 2022. £5,464,685.20, 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. The final stages of this scheme were currently being determined with a formal announcement on how payments were to be made expected shortly.

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 £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.

Funding of £6,103,200 was awarded under the Non-Discretionary Scheme and £196,950 under the Discretionary Scheme for City of Lincoln Council. Funding of £6,747,150 was awarded under the Non-Discretionary Fund and £121,800 under the Discretionary Scheme for North Kesteven District Council.

Payments of the £150 Council Tax Rebate were being made automatically 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. The vast majority of these cases had now been paid, unless there was no eligibility or households had not provided clarification details if required.

Where the Council Taxpayer did not pay by Direct Debit, officers had been contacting customers to obtain the relevant details. since the end of May 2022.

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

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

As of 10 August 2022, 24,493 Council Tax Rebate payments had been made to City of Lincoln Council Taxpayers making payments by direct debit, 7,544 by non-direct debit and 240 paid into Council Tax accounts. 34,653 Council Tax Rebate payments had been made to North Kesteven District Council Taxpayers. making payments by direct debit, 5,140 by non-direct debit and 113 paid into Council Tax accounts.

All discretionary fund payments must be made by 30 November 2022.

Financial Inclusion

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