



SHARED REVENUES AND BENEFITS JOINT COMMITTEE

Thursday, 8 September 2022

2.00 pm

Committee Room, North
Kesteven District Council
Offices

- Membership: Councillors Ray Cucksey (North Kesteven District Council) (Chair), Ric Metcalfe (City of Lincoln Council), Sue Burke 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), Martin Walmsley (City of Lincoln Council) and Julie Schofield (North Kesteven District Council)

AGENDA

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.

SECTION A	Page(s)
1. Confirmation of Minutes - 31 May 2022	3 - 12
2. 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.	
3. Performance Update	13 - 20
4. Revenues and Benefits - Financial Monitoring Quarter 1 2022/23	21 - 26

- | | |
|--------------------------|---------|
| 5. Business Rates Update | 27 - 32 |
| 6. Welfare Reform Update | 33 - 42 |

Details of Next Meeting: Thursday, 24 November 2022 (2.00 pm) in Committee Rooms 1-2, City Hall

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

Apologies for Absence: None.

30. Election of Chair

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

COUNCILLOR RAY CUCKSEY IN THE CHAIR

31. Confirmation of Minutes - 8 February 2022

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

32. Declarations of Interest

No declarations of interest were received.

33. Performance Update

Purpose of Report

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

Decision

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

Alternative Options Considered and Rejected

None.

Reason for Decision

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

The revenues and benefits shared service had now been in operation for 11 years since 1 June 2011, and performance had largely been maintained and improved whilst continuing to provide value for money. Continual improvement and success was being achieved in both statistical and financial performance, as

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

In respect of council tax for the financial year 2021/22, in-year collection was down for the City of Lincoln by 0.78% and up for North Kesteven by 0.35% respectively. The financial impacts of Covid-19 on residents' incomes had continued, making collection of Council Tax a balance of the importance of collecting monies due in a prompt manner, whilst making repayment arrangements where applicable and appropriate in order that undue financial hardship to taxpayers was avoided. Net collectable debit for 2021/22 (compared to 2020/21) had increased by £2,728,406m for Lincoln and £3, 115,475m for North Kesteven.

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

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

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

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

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

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

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

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

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

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

34. Financial Outturn 2021/22

Purpose of Report

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

Decision

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

Alternation Options Considered and Rejected

None.

Reason for Decision

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

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

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

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

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

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

35. Business Rates Update

Purpose of Report

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

Decision

That the content of the report be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

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

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

The following updates were noted:

Expanded Retail Discount

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

For 2022/23 the Chancellor set out:

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

Government would reimburse LA's that used their discretionary relief powers under Section 47 of the Local Government Finance Act 1988 (amended). LA's had already completed their NDR1 for 2021/22.

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

Nursery Discount

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

Discount for Businesses Affected by Covid-19

On 25 March 2021, the Government announced funding of £1.5 billion for businesses affected by Covid-19. The detail of the scheme was announced on 15 December 2021 with funding amounts allocated for each authority of £2,711,060 for City of Lincoln Council, £1,719,343 for North Kesteven District Council and £1,408,044 for West Lindsey District Council

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

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

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

Fire Stations and Hospitals - Potential Reductions in Rateable Value

On 4 December 2020, the Valuation Office Agency (VOA) advised all local authorities that they might see changes in the rateable values of hospitals and fire

stations, with reductions on average of around 10% on hospitals; and 9% on fire stations, dependent on the age of the properties.

On 20 May 2021 the VOA advised that following a challenge to the proposed rateable values of court buildings, average reductions in rateable values of 18% would be expected, with the reductions applying from 1 April 2017. 1970's buildings may have higher reductions of around 28%. These had now been amended as per the Valuation Office schedule.

Business Rates Review

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

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

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

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

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

36. Welfare Reform Update

Purpose of Report

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

Decision

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

Alternative Options Considered and Rejected

None.

Reason for Decision

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

The national Welfare Reform agenda had resulted in a significant impact on residents of Lincoln and North Kesteven since 2013 when certain changes were introduced such as Removal of Spare Room Subsidy, and Benefit Cap; this had continued as further changes had been introduced, such as the ongoing rollout of Universal Credit. These changes had resulted in major changes to the operation of our shared service, to ensure a proactive and positive response to welfare reform and the impacts on residents.

The following updates were noted:

Universal Credit

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

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

Local authority statistics also available:

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

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

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

COVID-19 Test and Trace Support Payments

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

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

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

Discretionary Housing Payments (DHP)

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

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

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

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

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

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

Council Tax Hardship Fund

As part of its response to COVID-19, the Government announced in the Budget 11th March 2020 that it would provide local authorities in England with £500m of new grant funding to support economically vulnerable people and households in their local area.

The expectation was that the majority of the hardship fund would be used to provide council tax relief, alongside existing local Council Tax Support schemes for 2020/21. The Guidance notes released on 24th March 2020 delivered confirmation of the grant allocation.

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

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

Household Support Fund

421 million was made available in 2021/22 for England to support those most in need over the winter period. This funding covered the period 6th October 2021 to 31st March 2022. £5,464,685.20 was awarded to Lincolnshire County Council under Section 31 of the Local Government Act 2001 to administer the scheme and provide assistance to households most in need.

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

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

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

Council Tax Energy Rebate

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

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

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

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

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

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

SUBJECT: PERFORMANCE UPDATE

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: MARTIN WALMSLEY, HEAD OF SHARED REVENUES AND BENEFITS

1. Purpose of Report

- 1.1 To provide Members with an update on performance in the Revenues and Benefits Shared Service.

2. Executive Summary

- 2.1 This report provides Revenues and Benefits performance information in respect of Quarter 1 2022/23.
- 2.2 The Revenues and Benefits Shared Service has now been in operation for more than eleven years, forming on 1st June 2011. Levels of performance have largely been maintained and improved whilst continuing to provide value for money. Continual improvement and success is being achieved in terms of both statistical and financial performance, as well as positive outcomes for customers of the partner local authorities. However, the Covid-19 global pandemic and 'cost of living challenges' have understandably impacted on some areas of performance, - these impacts are likely to continue for many more months.

3. Background

- 3.1 At the 31st May 2022 meeting of this Committee, a report was presented detailing Revenues and Benefits annual outturn performance for the financial year 2021/22.
- 3.2 Performance is reported to this Committee on a quarterly basis.

4. Revenues Performance

4.1 Council Tax

- 4.2 Up to the end of Quarter 1 2022/23, in-year collection for Lincoln and North Kesteven was up by 0.89% and up by 0.24%, respectively. This is a positive direction of travel, - officers will do everything possible to continue this trajectory going forward. Net collectable debit for 2022/23 (compared to 2021/22) has increased by £1.9m for Lincoln and £4.5m for North Kesteven.

Description		June 2022	Compared to June 2021
Council Tax Collection	City of Lincoln	25.99%	Up by 0.89%
Council Tax Collection	North Kesteven	29.02%	Up by 0.24%
Council Tax Net liability	City of Lincoln	£51,587,186	Up by £1,857,216
Council Tax Net Liability	North Kesteven	£76,242,561	Up by £4,450,452

In terms of the national context, the latest available figures are for 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.

- 4.3 The table below demonstrates the trend in Council Tax Support (CTS) caseloads. It can be seen that caseloads rose sharply in 2021 as an outcome of the impact of Covid-19 on the economy and residents' incomes. The caseload then plateaued somewhat and has been falling, - however, with the ongoing cost of living pressures on residents there is the potential that these reductions in caseloads may not continue.

	City of Lincoln	North Kesteven
June 2022	8,518	5,443
June 2021	8,940	5,701
June 2020	8,991	5,834
June 2019	8,235	5,570

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

4.5 Business Rates

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

Description		June 2022	Compared to June 2021
Business Rates collection	City of Lincoln	36.60%	Up by 7.50%
Business Rates collection	North Kesteven	41.16%	Up by 2.81%
Business Rates collection	West Lindsey	32.26%	Up by 2.04%
Business Rates Net Liability	Lincoln	£42,588,770	Up by £5,760,186
Business Rates Net Liability	North Kesteven	£29,476,504	Up by £3,105,756
Business Rates Net Liability	West Lindsey	£18,256,579	Up by £1,954,784

4.7 In terms of the national context, the latest available figures are 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 is 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.

4.8 **Outstanding Revenues Customers**

4.9 The number of outstanding Revenues Customers at the end of Quarter 1 2022/23 is 2,323 (split Lincoln 1,838, North Kesteven 485) – this compares to 3,354 (split Lincoln 2,255, North Kesteven 1,099) at Quarter 1 2021/22. This improvement is 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, has worked tremendously hard to pull performance round in this area. However, there are currently three positions out to recruitment advert on our Revenues Team – so there is now a pressure on resources – it is hoped that this will only be relatively short-term.

4.10 **Housing Benefit Overpayments**

4.11 As at the end of Quarter 1 2022/23, in period collection of Housing Benefit overpayments stands at:

- City of Lincoln: 126.84%,
- North Kesteven: 141.71%.

4.12 Outstanding Housing Benefit overpayments debt also continues to decrease overall. As at the end of Quarter 1 2022/23:

- City of Lincoln: £2,604,637,
- North Kesteven: £1,357,357.

5. Benefits Performance

5.1 As at the end of Quarter 1 2022/23, there are 3,654 Benefits customers outstanding and awaiting assessment (split Lincoln 2,544, North Kesteven 1,110). This figure is 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 continues 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 are also working on Discretionary Housing Payments, Council Tax Energy Rebate and Household Support Fund.

Direction of travel is now improving though – 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.

5.2 Despite the significant demands on the Benefits Team, officers continue to turn around claims and reported changes of circumstance promptly, and accurately. As at the end of Quarter 1 2022/23:

End Quarter 1 2021/22	City of Lincoln	North Kesteven
New Claims	17.77 days <i>(End Quarter 1 2021/22 16.81 days)</i>	21.57 days <i>(End Quarter 1 2021/22 13.77 days)</i>
Changes of Circumstance	6.49 days <i>(End Quarter 1 2021/22 4.88 days)</i>	4.37 days <i>(End Quarter 1 2021/22 4.29 days)</i>

Although average processing times have risen over Quarter 1 2022/23, work continues to be closely managed and monitored to follow-up claims where information is outstanding. The rising levels of outstanding work in Quarter 1 has impacted on turnaround times, however with the level of work outstanding currently reducing – average processing times should also decrease. For example, at the end of July 2022 North Kesteven average processing times had reduced slightly – to 21.49 days, demonstrating a positive direction of travel.

The most recent national figures for Housing Benefit (HB) processing times were released on 27th July 2022, and are in respect of Quarter 4 2021/22. The key points released were as below:

- *The average speed of processing for new HB claims has increased by one day since the previous quarter, to 20 calendar days. The general trend over the last 18 months, according to the rolling average year-end figures, continues to be an upward one.*
- *The average speed of processing for change of circumstances to an existing HB claim is 3 calendar days in the latest quarter, which is five days lower than*

last quarter and the same as quarter 4 2020 to 2021. Rolling average year-end figures show a slight increasing trend over the last 15 months.

It should be noted that the national figures published as above are for a specific quarter only (i.e., Quarter 4 2021/22) and not cumulative over the financial year – which is how officers report these areas of performance for our shared service. As a reminder, 2021/22 year outturns were: New Claims 16.54 days (Lincoln) 17.34 days (North Kesteven), Changes of Circumstances 3.55 days (Lincoln) 2.80 days (North Kesteven).

5.3 In terms of the claims checked that were ‘correct, first time’ (with even £0.01p ‘out’ being classified as an incorrect assessment), at the end of Quarter 1 2022/23:

- City of Lincoln: 94.32% (216 out of 229 checked),
- North Kesteven: 94.09% (207 out of 220 checked).

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

6. Welfare and Benefits Advice

6.1 Providing benefits and money advice continues to be key, with a team of dedicated and knowledgeable officers providing invaluable support to residents of Lincoln. In Quarter 1 2022/23, the team has achieved the following:

Quarter 1 2022/23	City of Lincoln	North Kesteven
Advice provided enabling weekly value of additional benefits	£5,756	£1,979
Advice provided enabling lump sum award of additional benefits	£59,665	£22,561
No. of customers to whom help provided	2,043	385
No. money advice referrals	34	11

7. Strategic Priorities

7.1 Both City of Lincoln and North Kesteven have a number of strategic priorities. Three that have an impact on the Revenues and Benefits Service are:-

- Lincoln: “Let’s reduce all kinds of inequality.”
- North Kesteven: “Our Communities,” “Our Economy.”

7.2 The Benefits Service plays a key role in reducing inequality by ensuring residents receive the benefits they are entitled to and providing money / debt advice. The Revenues Section is also mindful of the strategic priorities when engaging with business ratepayers as they recover business rates – and also promoting and encouraging growth in the districts. Digital Inclusion, Channel Shift / Customer Experience, Financial Inclusion and Partnership Working are all key priorities for the shared service.

8. Organisational Impacts

- 8.1 Finance: There are no direct financial implications arising from this report.
- 8.2 Legal Implications including Procurement Rules: There are no direct Legal or Procurement implications arising from this report.
- 8.3 Equality, Diversity & Human Rights: There are no direct implications arising from this report.

9. Risk Implications

- 9.1 A Risk Register is in place for the Revenues and Benefits Shared Service.

10. Recommendations

- 10.1 To note the performance information as set out in this report.
- 10.2 To note that a performance update will be presented at the next meeting of this committee on 24th November 2022.

Is this a key decision? Yes/No

Do the exempt information categories apply? Yes/No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? Yes/No

How many appendices does the report contain? Appendix 1: Performance Data to end Quarter 1 2022/23

List of Background Papers: None

Lead Officer: Martin Walmsley, Head of Shared Revenues and Benefits
Telephone (01522) 873597

Shared Revenues and Benefits Joint Committee 8th September 2022
 Performance Update
 Appendix 1: Performance Data Quarter 1 2022/23

<u>Measure</u>	<u>Quarter 1 2022/23</u>		<u>2021/22 Annual Outturn</u>	
	NK	COL	NK	COL
Local Authority				
Council Tax collection (cumulative)	29.02%	25.99%	98.38%	94.00%
NNDR collection (cumulative)	41.16%	36.60%	99.74%	98.45%
NNDR collection – WLDC (cumulative)	32.26%		97.90%	
No. Revenues customers awaiting change to be processed	485	1,838	976	2,046
Total Net Arrears for Council Tax prior years (i.e., not including current year)	£2,962,978	£6,749,315	£1,813,006	£2,197,469
Total Net Arrears for NNDR prior years (i.e., not including current year)	£241,147	£188,195	£47,360	£117,570
Housing Benefit overpayments collection in period	141.71%	126.84%	102.89%	167.76%
Outstanding Housing Benefit overpayments debt	£1,357,357	£2,604,637	£1,418,662	£2,661,801
Housing Benefit New Claims: Average number of days to process (cumulative)	21.57 days	17.77 days	17.34 days	16.54 days
Housing Benefits Changes of Circumstances: Average number of days to process (cumulative)	4.37 days	6.49 days	2.80 days	3.55 days
No. Benefits customers awaiting assessment (cumulative)	1,110	2,544	651	2,117
% Benefits claims checked financially correct (cumulative)	94.09%	94.32%	96.13%	97.13%

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**SUBJECT: REVENUES AND BENEFITS - FINANCIAL MONITORING
QUARTER 1 2022/23**

DIRECTORATE: CHIEF EXECUTIVE & TOWN CLERK

**LEAD OFFICER: MARTIN WALMSLEY, HEAD OF SHARED REVENUES AND
BENEFITS**

1. Purpose of Report

- 1.1 To present to Members the first quarter's (ending 30th June 2022) performance for the Revenues and Benefits Shared Service for 2022/23.

2. Executive Summary

- 2.1 The forecast outturn for 2022/23 predicts that there will be an underspend against the approved budget of £10,326.

3. Background

- 3.1 The approved budget for 2022/23 was agreed by Shared Revenues and Benefits Joint Committee on 8th February 2022. The Committee set a budget for 2022/23 of £2,516,830 for the service.
- 3.2 At quarter one, the budget was increased to reflect New Burdens grants totalling £22,115, detailed as follows:-

	CoLC	NK	Total
	£	£	£
Original Budget	1,337,120	1,179,710	2,516,830
New Burdens – Q1 Single Housing Benefit Extract Automation (SHBE)	4,700	4,700	9,400
New Burdens – Q1 Supported and Temporary Accommodation (SA/TA)	4,610	4,610	9,220
New Burdens – Q1 Supported and Temporary Accommodation Change Request (SA/TA CR)	1,750	1,750	3,500
REVISED BUDGET	1,348,180	1,190,770	2,538,950

4. Quarter One Financial Performance and Forecast Outturn 2022/23

4.1 Performance Quarter 1

Financial performance for the first quarter of 2022/23 is detailed in Appendix 1 to this report. At quarter 1, there is an underspend against the approved budget of £10,376.

4.2 Forecast Outturn 2022/23

The forecast outturn for 2022/23 predicts that there will be an underspend against the approved budget of £10,326. Further detail is attached within Appendix 2 of this report.

4.3 A summary of the main forecast year-end variations against the approved budget for 2022/23 is shown in the table below.

4.4 One of the main reasons for the forecast overspend within the Revenues Local Taxation team is due to additional postage and IT costs as a result of administering the Council Tax Energy Rebate payments. Each Council has received a grant to compensate them for this, along with other administration costs associated with these payments such as increased demand on Customer Services, however these grants sit outside of the shared service budget. For the period 1st April 2022 to 30th June 2022, new burdens grants have been received from Central Government as follows – City of Lincoln £59,673 and North Kesteven £64,514.

<u>Service Area</u>	<u>£</u>	<u>Reason for Variance</u>
Benefits		
Salary costs	(35,470)	Vacancy savings expected for first 5 months pending recruitment.
Overtime	19,080	Additional hours required as a result of vacancies and increased demand due to Covid-19.
Postage Costs	(20,570)	Reduction in postage costs as a result of changes in distribution.
IT Costs	29,800	New Software requirements, partially funded through New Burdens funding.
New Burdens	(22,120)	Additional grant funding to offset new IT cost pressures.
Revenues Local Taxation		
Staffing Costs	(35,920)	Vacancy savings expected for first 5 months pending recruitment.
Overtime	9,670	Additional hours in response to backlog as a result of vacancies and increased workloads due to Covid-19 and CT Energy Rebate administration.

Postage Costs	19,620	Additional costs as a result of increased requirements, partially offset by NB funding for the CT Energy Rebate administration.
IT Costs	17,860	New Software requirements, partially offset by NB funding for the CT Energy Rebate administration.
Benefits/Money Advice		
Staffing Costs	(4,580)	Vacancy savings as a result of part-time hours.

5. Organisational Impacts

- 5.1 The financial implications are contained throughout the report.
- 5.2 There are no legal implications arising from this report.
- 5.3 There are no equality and diversity implications as a direct result of this report.

6. Risk Implications

- 6.1 A full financial risk assessment is included in the Council's Medium Financial Strategy.

7. Recommendations

- 7.1 Members are recommended to note the actual position at Quarter 1.

Key Decision	No
Do the Exempt Information Categories Apply?	No
Call in and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No
How many appendices does the report contain?	Two
List of Background Papers:	None
Lead Officer:	Martin Walmsley Telephone 01522 873597

Appendix 1 - Actual Position as at Quarter 1 2022/23

	Profiled Budget			Actual YTD			Variance YTD		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits									
Management	60,380	60,380	120,762	46,727	46,727	93,454	(13,653)	(13,653)	(27,306)
Benefits	159,860	116,520	276,375	171,349	124,080	295,429	11,489	7,560	19,049
Revenues Local Taxation	100,050	104,130	204,183	101,350	105,487	206,837	1,300	1,357	2,657
Money Advice	29,780	29,780	59,560	27,392	27,392	54,785	(2,388)	(2,388)	(4,775)
Total 2022/23	350,070	310,810	660,879	346,818	303,686	650,504	(3,252)	(7,124)	(10,376)
Grand total							(3,252)	(7,124)	(10,376)

Appendix 2 Forecast Financial Outturn for 2022/23

	Annual Budget			Forecast Outturn			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits Management	187,300	187,300	374,600	190,124	190,124	380,248	2,824	2,824	5,648
Benefits	640,860	467,120	1,107,980	626,715	456,810	1,083,525	(14,145)	(10,310)	(24,455)
Revenues Local Taxation	400,570	416,910	817,480	407,744	424,387	832,131	7,174	7,477	14,651
Money Advice	119,450	119,440	238,890	116,365	116,355	232,720	(3,085)	(3,085)	(6,170)
Total 2022/23	1,348,180	1,190,770	2,538,950	1,340,948	1,187,676	2,528,624	(7,232)	(3,094)	(10,326)
Grand total							(7,232)	(3,094)	(10,326)

SUBJECT: BUSINESS RATES UPDATE

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: EMMA-JANE BRODRICK, RECOVERY AND NDR/BID TEAM LEADER

1. Purpose of Report

- 1.1 To provide Shared Revenues and Benefits 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. LAs 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% at the end of Q1.

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	£2,536,513	£1,182,893	£888,391

5. Discount for Businesses Affected by Covid-19

5.1 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.

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

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

5.3 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.

5.4 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.

Round 1 application closed on the 31st March 2022 and those accounts that meet the criteria of losses of 30% or more have been awarded 100% CARF relief for their 2021/2022 liability.

	City of Lincoln	North Kesteven	West Lindsey
Amount of CARF (£)	441,293.70	419,739.68	324,907.31
Number of accounts	29	15	15

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

Steps are now being taken to further promote the scheme with the aim of significantly increasing take-up of these funds.

6. Fire Stations and Hospitals – Potential Reduction to Rateable Value

- 6.1 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.
- 6.2 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.
- 6.3 On average reductions will be around 10% on NHS and private hospitals, and 9% on fire stations however this will be subject to wide variation dependant on the age of the properties.

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

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

- 6.4 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.
- 6.5 On 20 May 2021 we received a further notification from the Valuation Office that there was a CPCR Challenge regarding Court Buildings. This has been completed on a representative group of around 30 Courts. The agreed basis results in average reductions of around 18% - 1970's buildings may have higher reductions of around 28%. These reductions could go back to 1st April 2017. These have now been amended as per the Valuation Office schedule

Affected numbers within the shared service, are as below:

Local Authority	No. hereditaments	Charge for 2021/22	Charge for 2022/23
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.

7. Business Rates Review

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

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

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

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

There was a new exemption and relief to support green technologies announced. Unfortunately, again, the announcement was made without any of the detail being known and so, we will report the finer detail of this as soon as this is known.

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

8. Strategic Priorities

- 8.1 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.

9. Organisational Impacts

9.1 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.

9.2 Legal Implications including Procurement Rules

No direct financial implications arising from this report.

9.3 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.

10. Risk Implications

10.1 A Risk Register is in place for the Revenues and Benefits Shared Service.

11. Recommendation

11.1 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 AND TOWN CLERK
LEAD OFFICER:	REBECCA COX, WELFARE REFORM AND PROJECT LEAD

1. Purpose of Report

- 1.1 To provide 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.

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, 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 19th July 2022, with statistics relevant to the period up to May 2022:
 - 5,541,902 households receiving UC (this is an increase from 5,510,549 as reported at the last meeting of this Committee).

Local authority statistics are 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).
- 4.2 On 25th 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 \(www.gov.uk\)](#)) and since then, an initial 500 cases in Bolton and Medway areas have been invited to migrate from legacy benefits to UC. Truro and Falmouth have been announced as the next two areas as part of this UC ‘discovery phase.’

There is currently no further detail as to the rollout schedule for other areas of the country, - officers are in 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) ended on 30th 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 2,091 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
Total	4,918	2,827	2,091	£1,045,500

In total, the team received 2,668 applications for North Kesteven, of 1,017 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
Total	2,668	1,651	1,017	£508,500

6. Discretionary Housing Payments (DHP)

6.1 City of Lincoln's DHP initial government grant for 2022/23 is £129,643 and North Kesteven's £85,166. The recent mid-year additional DHP grant announcement has increased both amounts marginally, by £2,687 and £1,765 respectively – so 2022/23 DHP grants are now £132,330 (Lincoln) and £86,931 (North Kesteven).

6.2 The table below breaks down the number of DHP applications received and determined in Quarter 1 2022/23.

DHP Applications – Year Quarter 1 2022/23	City of Lincoln	North Kesteven
Total number awarded	123 <i>(Quarter 1 2021/22 = 431)</i>	92 <i>(Quarter 1 2021/22 = 225)</i>
No. awarded for Housing Benefit	56 <i>(Quarter 1 2021/22 = 254)</i>	37 <i>(Quarter 1 2021/22 = 111)</i>
No. awarded for Universal Credit	67 <i>(Quarter 1 2021/22= 177)</i>	55 <i>(Quarter 1 2021/22 = 114)</i>
Average DHP award	£430.64 <i>(Quarter 1 2021/22 = £270.74)</i>	£412.84 <i>(Quarter 1 2021/22 = £341.04)</i>

6.3 The table below shows DHP spend for 2022/23 up to the end of Quarter 1.

	Total funding = Central Government DHP Grant 2022/23	DHP net spend as at 30th June 2022	DHP committed as at 30th June 2022	DHP total spend as at 30th June 2022	% Grant spent
City of Lincoln	£132,330	£14,683	£38,286	£52,969	40.03%
North Kesteven	£86,931	£11,329	£26,653	£37,982	43.69%

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 29% each. The table below shows the 2022/23 government grants, - also, for reference/information – DHP grants going back to 2012/13 (inclusive).

	City of Lincoln Council Central Government DHP Grant	North Kesteven Central Government DHP Grant
2022/23	£132,330	£86,931
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 is 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 continue to monitor impacts and spend closely.

7. Household Support Fund

7.1 £421 million was made available in 2021/22 in England to support those most in need over the winter period. This funding covered the period 6th October 2021 to 31st March 2022. £5,464,685.20 was awarded to Lincolnshire County Council under Section 31 of the Local Government Act 2001, to administer the scheme and provide assistance to households most in need.

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 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 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	
Total Amount of Award	£241,900	£97,742	£12,400	£75,500	Total Paid £427,542

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	
Total Amount of Award	£146,000	£81,382	£9,100	£34,600	Total Paid £271,082

7.2 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. The final stages of this scheme are at the time of writing this report being determined, and a formal announcement on how payments are to be made is expected to be made shortly. A verbal update will be provided to this Committee, on 8th September 2022.

7.3 In May 2022, the Chancellor of the Exchequer announced that there will be a third round of the Household Support Fund to cover the period from October 2022 to March 2023. No further information regarding Lincolnshire's allocation and how the funding can be used is available at this time.

8. Council Tax Energy Rebate

8.1 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. This included:

- 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.

8.2 Funding was 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.

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

8.4 Payments are being made automatically for Council Taxpayers who pay by Direct Debit, as current bank details are held for these resident. 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 have now been paid, unless there were not eligible or have not provided clarification details if required.

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

Due diligence is 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 being 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 is paying the £150 rebate onto the person's Council Tax account.

All payments under the mandatory scheme must be made by 30th September 2022.

As at 10th August 2022, the following mandatory scheme payments had been made:

Lincoln Total 32,277

Direct Debit	24,493
Non Direct Debit	7,544
Paid to Council Tax account	240

NKDC Total 39,906

Direct Debit	DD	34,653
Non Direct Debit	Non DD	5,140
Paid to Council Tax account	Paid to CTAX	113

8.5 In Lincoln, 44,617 properties are in Bands A-D – equivalent to 95.7% of the total number of domestic properties in the City. Statistics available at the beginning of this financial year showed that 54.4% of Bands A-D households were paying Council Tax by Direct Debit, and 65.9% of Band E-H households.

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. Statistics available at the beginning of this financial year showed that 72.6% of Bands A-D households were paying Council Tax by Direct Debit, and 87.2% of Band E-H households.

8.6 The shared service's Welfare Reform Support Team has provided a key role in the Council Tax energy Rebate project, with key statistics regarding the work they have undertaken in the tables below:

Wave of letters issued (phases)	1	2	3	4	Total
Number of customers assisted with online claims	26	41	34	62	163
Number of general enquiries					319

City of Lincoln Spotlight Checks (*Assurance of Claims*)

July	Total
Claims checked against existing records & passed for payment	1,898
Total claims held back for further checks	41

North Kesteven Spotlight Checks (*assurance of claims*)

July	Total
Claims checked against existing records & passed for payment	1,198
Total claims held back for further checks	13

The statistics above do not include other contacts made in respect of the Council Tax energy Rebate, with Revenues and Customer Services teams taking substantial numbers of calls (and continuing to do so).

- 8.7 As mentioned in paragraphs 7.1 and 7.2 (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 30th November 2022.

A verbal update on development of Discretionary Fund schemes will be provided to this Committee on 8th September 2022.

9. **Financial Inclusion**

- 9.1 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.

- 9.2 FIP is currently further developing an action plan in place relating to financial inclusion for the 'Cost of Living Crisis' for 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.

In terms of the well-documented national cost of living pressures, both our partner Councils have launched and are continuing to develop web pages dedicated to initiatives to try and assist our residents with cost of living support:

- [Cost of Living Support – City of Lincoln Council](#)
- [Cost of Living Support | North Kesteven District Council \(n-kesteven.gov.uk\)](#)

10. Strategic Priorities

10.1 Both City of Lincoln and North Kesteven have a number of strategic priorities. Three that have an impact on the Revenues and Benefits Services are:

- Lincoln: “Let’s reduce all kinds of inequality.”
- North Kesteven: “Our Communities,” “Our Economy.”

10.2 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.

11. Organisational Impacts

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

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

12. Risk Implications

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

13. Recommendation

13.1 That Shared Revenues and Benefits Joint Committee notes this report, also that a further update will be presented at the next meeting of this Committee.

Key Decision No

Do the Exempt Information Categories Apply No

Call In and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply? No

Does the report contain Appendices? No

If Yes, how many Appendices? None

List of Background Papers: No

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