

- Present:** Councillors Councillor Ray Cucksey (*in the Chair*), Sue Burke and Donald Nannestad
- Apologies for Absence:** Councillor Ric Metcalfe
- Also in Attendance:** Councillor Sally Tarry and Russell Stone (North Kesteven District Council)

7. Confirmation of Minutes - 08 September 2022

RESOLVED that the minutes of the meeting held on 8 September 2022 be confirmed.

8. Declarations of Interest

No declarations of interest were received.

9. 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.

Decision

That the report be noted, and an update be presented to the next meeting of the Committee on 23 February 2023.

Alternative Options Considered and Rejected

None.

Reason for Decision

The report provided information on revenues performance for Quarter 2 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 were provided, where possible.

The Revenues and Benefits Shared Service had now been in operation for more than 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 2 2022/23, in-year collection for Lincoln and North Kesteven was up by 2.58% and 0.90% respectively. However it should be noted that in appropriate circumstances Council Tax Energy Rebate payments had been credited to Council Tax accounts, as well as Council Tax Hardship Fund monies being allocated, which would be 'inflating' collection performance. Officers continued to monitor and manage collection closely.

In terms of the trend in Council Tax (CTS) caseloads, it could 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 had been falling, however with the ongoing cost of living pressures on residents, there was the potential that these reductions in caseloads may not continue.

In terms of Business Rates, up to the end of Quarter 2 2022/23, compared to the same point in 2021/22 in-year collection was up for all three local authorities: Lincoln (by 7.29%), North Kesteven (by 8.86%) and West Lindsey (by 12.33%). Although this was positive, it should be noted that for all three local authorities Covid Additional Relief Fund (CARF) monies had been added to accounts – and where ratepayers paid in full last year – there may be a credit for 2021-22 which was offsetting against this year's liability. Collection also continued to be 'skewed' somewhat in recent financial years due to varying criteria/awards of the Expanded Retail Discount (ERD).

As at the end of the Quarter 2 2022/23, the number of outstanding revenues customers stood at a total of 4,138, of which 2,945 were from the City of Lincoln and 1,193 from North Kesteven. This compared to 5,133 (split Lincoln 3,454, North Kesteven 1,679) at Quarter 2 2021/22. Despite this improvement from the same point in 2021/22, the outstanding figure had increased since the end of Quarter 1 2022/23. This was due to vacancies in the staffing establishment (which were in the process of being recruited to) as well as a significant amount of staff resource going into the Council Tax Energy Rebate Scheme during the last 6 months. It was anticipated the position would improve during Quarter 3.

As at the end of Quarter 2 2022/23, in-period collection of Housing Benefit overpayments stood at 162.20% for City of Lincoln and 113.30% for North Kesteven. Outstanding Housing Benefit overpayments debt also continued to decrease overall as at the end of Quarter 2 2022/23, at £2,538,654 for City of Lincoln and £1,327,854 for North Kesteven.

As at the end of Quarter 2 2022/23, there were 2,285 Benefit customers outstanding and awaiting assessment, (split Lincoln 1,553, North Kesteven 732). This figure was higher than the same point in 2021/22 (total 2,001 – split Lincoln 1,411, North Kesteven 590), but this showed a positive direction of travel from Quarter 1 2022/23 when at the end of June 2022 there were 3,654 Benefits customers outstanding (split Lincoln 2,544, North Kesteven 1,110). 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 continued to work on Discretionary Housing Payments, Council Tax Energy Rebate and Household Support Fund.

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 2 2022/23 the City of Lincoln figure stood at : 95.56% (409 out of 428 checked), and North Kesteven: 95.32% (448 out of 470 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 second quarter of 2022/23. Further detail was set out within the table at Paragraph 6.2 of the officer's report.

It was further advised that since the report was written:

- Council Tax in-year collection to end October 2022: Lincoln 2.88% up, North Kesteven 0.90% up.
- Business Rates in-year collection to end October 2022: Lincoln 4.60% up, North Kesteven 6.55% up, West Lindsey 10.26% up
- Outstanding Revenues customers at end October 2022: Lincoln 2,921, North Kesteven 912.
- Average number of days to process Housing Benefit New Claims: Lincoln 16.34 days, North Kesteven 20.10 days
- Average number of days to process Housing Benefit Changes of Circumstance: Lincoln 6.13 days, North Kesteven 4.27 days
- Outstanding Benefits customers at 23rd November 2022: Lincoln 950, North Kesteven 437, - working within 1 week

10. Revenues and Benefits - Financial Monitoring Quarter 2 2022/23

Purpose of Report

To provide the Shared Revenues and Benefits Joint Committee with the second quarter's (ending 30 September 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, giving a revised budget of £2,538,950.

Financial performance for the second quarter of 2022/23 as detailed at Appendix 1 of the officer's report resulted in an underspend against the approved budget of £2,600, a deterioration of £7,780 since quarter one.

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.

11. Revenues and Benefits Shared Service Business Plan 2023/24

Purpose of Report

As set out in the Shared Revenues and Benefits Business Case Delegation and Joint Committee Agreement, an annual Business Plan was presented to this committee in November/December each year for consideration.

Decision

That the Revenues and Benefits Shared Service Business Plan 2023/24 be approved.

Alternative Options Considered and Rejected

None.

Reason for Decision

The Revenues and Benefits Shared Service Business Plan for the financial year 2022/23 was attached at Appendix 1 to the report and featured the following:

- Key Achievements in 2022/23;
- Savings in 2022/23;
- Key Activities for 2023/24;
- Strategic Priority Schemes 2023/24;
- Towards Financial Sustainability projects 2023/24;
- Other Service Planning Considerations 2023/24;
- Key Risks;
- Performance Management;
- Safeguarding;
- Equality Actions;
- Working in Neighbourhoods;
- Workforce Development;
- Social Value;
- Data Protection and Information Governance.

It was reported that the year 2022/23? had been another very positive year for the shared service, albeit very challenging with a whole host of Covid-19 recovery and cost of living support related-initiatives. The impacts of Covid-19 had been

significant and could not be underestimated as were the ongoing impacts of the cost of living challenges. The financial impacts on taxpayers and businesses had been substantial, which had understandably impacted on revenues collection. The service had continued to promote the 'Get in touch, not in debt' message – with very much a focus on 'welfare' when making payment arrangements with customers. Also, the increase in Benefits workload as a result of cost of living challenges had really started to impact.

A number of additional demands have been placed on our Revenues and Benefits Service over the last eighteen months, including;

- Household Support Fund;
- Council Tax Energy Rebate;
- Council Tax Hardship Fund;
- Business Rates Relief – including Covid Additional Relief Fund (CARF);
- Increase in Benefits claims/changes;
- Universal Credit changes.

These additional demands should not be underestimated and understandably impacted on levels of performance in some areas. However, despite these major challenges, performance in most areas remained positive – officers were wholly committed to achieving the best possible standards of service to our customers.

The plan for 2023/24 continued to look at a range of key initiatives relating to areas including e-services, financial inclusion and cost of living, as well as standards of performance.

12. 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).

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 2

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 and 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, 2023-2028 in the first instance. 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 for eligible low carbon heat networks that were listed as separate properties on the rating list, to be available from 2023 to 2025. Unfortunately, again the announcement was made without any of the detail being known, and so, the finer detail would be reported as soon as this was known.

13. 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, 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 11 October 2022, with statistics relevant to the period up to August 2022:

- 5,660,944 households receiving UC (a decrease from 5,541,902 as reported at the last meeting of this Committee).

Local authority statistics also available:

- City of Lincoln – 10,760 (10,477 as at the last report);
- North Kesteven – 6,321 (6,650 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.

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 2 2022/23 was detailed at paragraph 5.2 of the officers report.

DHP spend for up to the end of Quarter 2 of the financial year 2022/23 amounted to £83,975 (63.46% of DHP Grant) for City of Lincoln and £61,514 (70.76% 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 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 and delivering these Household Support Fund payments for City of Lincoln and North Kesteven.

For the months of December 2021-March 2022, £427,542 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 million 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.

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;
- £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.

With certain specified exceptions (for example, empty properties), households in Council Tax Bands A-D were entitled to a one off payment of £150. 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, 24,151 Council Tax Rebate payments had been made to City of Lincoln Council Taxpayers making payments by direct debit, 8,032 by non-direct debit and 7,362 paid into Council Tax accounts. 34,731 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 have been 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.

