



SHARED REVENUES AND BENEFITS JOINT COMMITTEE

Thursday, 23 February 2023

2.00 pm

Committee Room, North
Kesteven District Council
Offices

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

A G E N D A

If members are unable to attend the meeting, please advise Ali Hewson (Senior Democratic Services Officer) on 01522 457443 as soon as possible. Substitute members will be contacted if they are required to attend the meeting.

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Please note that, in accordance with the Members' Code of Conduct, when declaring interests members must disclose the existence and nature of the interest, and whether it is a disclosable pecuniary interest (DPI) or personal and/or pecuniary.	
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Details of Next Meeting: Tuesday, 27 June 2023 (2.00 pm) in Committee Rooms 1-2, City Hall

- 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.

SUBJECT: PERFORMANCE UPDATE

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: MARTIN WALMSLEY, ASSISTANT DIRECTOR – 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 3 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 24th November 2022 meeting of this Committee, a report was presented detailing Revenues and Benefits annual outturn performance for Quarter 2 2022/23.
- 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 3 2022/23, in-year collection for Lincoln and North Kesteven was up by 1.76% and up by 0.75%, respectively. It should continue to be noted that in appropriate circumstances Council Tax energy Rebate payments have been credited to Council Tax accounts, as well as Council Tax Hardship Fund monies being allocated, which will be ‘inflating’ collection performance. Officers are monitoring and managing collection closely.

Description		End Quarter 3 2022/23	Compared to End Quarter 3 2021/22
Council Tax Collection	City of Lincoln	77.58%	Up by 1.76%
Council Tax Collection	North Kesteven	84.99%	Up by 0.75%
Council Tax Net liability	City of Lincoln	£51,153,938	Up by £2,858,315
Council Tax Net Liability	North Kesteven	£76,308,739	Up by £4,515,120

- 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, - however, with the ongoing cost of living pressures on residents there is the potential that caseloads may rise again.

	City of Lincoln	North Kesteven
December 2022	8,469	5,368
November 2022	8,453	5,419
October 2022	8,448	5,421
September 2022	8,454	5,407
August 2022	8,463	5,432
July 2022	8,472	5,436
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 Business Rates

- 4.5 Up to the end of Quarter 3 2022/23, compared to the same point in 2021/22 in-year collection is up for all three local authorities: Lincoln (by 1.40%), North Kesteven (by 4.57%) and West Lindsey (by 7.62%). Although this is positive, it should be noted that for all three local authorities Covid Additional Relief Fund (CARF) monies have been added to accounts – and where ratepayers paid in full last year – there may be a credit for 2021-22 which is offsetting against this year's liability. Collection also continues to be 'skewed' somewhat in recent financial years due to varying criteria/awards of the Expanded Retail Discount (ERD). All three collections as less 'up' compared to the end of Quarter 2 2022/23, so is perhaps starting to demonstrate a more accurate position on collection as the inflated performance due to CARF starts to 'even out' as the financial year continues to progress.

Description		End Quarter 3 2022/23	Compared to End Quarter 3 2021/22
Business Rates collection	City of Lincoln	85.51%	Up by 1.40%
Business Rates collection	North Kesteven	88.82%	Up by 4.57%
Business Rates collection	West Lindsey	86.31%	Up by 7.62%
Business Rates Net Liability	Lincoln	£42,152,713	Up by £6,805,274
Business Rates Net Liability	North Kesteven	£29,124,686	Up by £2,966,681
Business Rates Net Liability	West Lindsey	£17,711,985	Up by £1,521,946

4.6 Outstanding Revenues Customers

4.7 The number of outstanding Revenues Customers at the end of Quarter 3 2022/23 is 656 (split Lincoln 444, North Kesteven 212) – a significant reduction from the end of Quarter 2 2022/23 (where 4,138 items were outstanding). This has taken place due to a number of reasons – staffing vacancies being recruited to (further appointments to follow within establishment), ‘trawling’ of outstanding work queues to complete items which have already been processed through other routes, - as well as the intensive resources that had been required for the Council Tax energy Rebate scheme having reduced. With annual Council Tax billing due to take place in Quarter 4 for 2023/24, being as up-to-date as possible with Revenues work is vital to enable accurate bills to be issued.

4.8 Housing Benefit Overpayments

4.9 As at the end of Quarter 3 2022/23, in period collection of Housing Benefit overpayments stands at:

- City of Lincoln: 137.75%,
- North Kesteven: 139.43%.

4.10 Outstanding Housing Benefit overpayments debt also continues to decrease overall. As at the end of Quarter 3 2022/23:

- City of Lincoln: £2,403,988,
- North Kesteven: £1,303,080.

5. Benefits Performance

5.1 As at the end of Quarter 3 2022/23, there are 1,859 Benefits customers outstanding and awaiting assessment (split Lincoln 1,373, North Kesteven 486). The positive direction of travel with regard to outstanding workload reduction continues, - as with Revenues work it is vital to be as up-to-date as possible before annual Council Tax billing and benefits upratings for 2023/24. Demands on the team will be significant on quarter 4, as annual changes in circumstances are reported – e.g., rent increases, pension increases, etc. There also 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, as well as Discretionary Housing Payments and Household Support Fund.

5.2 Despite the significant demands on the Benefits Team, officers continue to assess claims and reported changes of circumstance promptly. As at the end of Quarter 3 2022/23:

End Quarter 3 2022/23	City of Lincoln	North Kesteven
New Claims	15.97 days <i>(End Quarter 3 2021/22 16.45 days)</i>	19.93 days <i>(End Quarter 3 2021/22 16.54 days)</i>
Changes of Circumstance	5.76 days <i>(End Quarter 3 2021/22 5.37 days)</i>	4.10 days <i>(End Quarter 3 2021/22 3.99 days)</i>

Work continues to be closely managed and monitored to follow-up claims where information is outstanding. The rising level of outstanding work in Quarter 1 impacted on turnaround times, however with the level of work outstanding continuing to reduce – average processing times are also decreasing. For example, at the end of Quarter 1 2022/23 North Kesteven average processing time for New Claims was 21.57 days – this reduced by an average of 1.64 days – to 19.93 days – by the end of Quarter 3 2022/23.

The most recent national figures for Housing Benefit (HB) processing times were released on 25th January 2023, and are in respect of Quarter 2 2022/23. The key points were as below:

- *The average speed of processing for new HB claims is 21 calendar days in the latest quarter, which is one day lower than last quarter and one day higher than quarter 2 2021 to 2022. Since quarter 3 2020 to 2021 the rolling average year-end figures show the general trend to be an increasing one.*
- *The average speed of processing for change of circumstances to an existing HB claim is 9 calendar days in the latest quarter, which is one day higher than last quarter and one day higher than quarter 2 2021 to 2022. Since quarter 4 2020 to 2021, the rolling average year-end figures show the trend to be slightly increasing.*

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 3 2022/23:

- City of Lincoln: 95.69% (1,087 out of 1,136 checked),
- North Kesteven: 96.41% (833 out of 864 checked).

As requested through this Committee on 24th November 2022, further analysis has been undertaken on the level of ‘incorrectness’ in assessment:

- City of Lincoln:
 - No financially incorrect Housing Benefit cases
 - Of the cases identified as financially incorrect – total Council Tax Support overpayments £18.03, total Council Tax Support underpayments £28.56
 - = net Council Tax Support underpayment £10.53

- North Kesteven:
 - Of the cases identified as financially incorrect – total Housing Benefit overpayments £47.66, total Housing Benefit underpayments £37.51
 - = net Housing Benefit overpayment £10.15
 - Total Council Tax Support overpayments £76.27, total Council Tax Support underpayments £46.11
 - = net Council Tax Support overpayment £30.16.

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 3 2022/23, the team has achieved the following:

Quarter 3 2022/23	City of Lincoln	North Kesteven
Advice provided enabling weekly value of additional benefits	£6,354	£2,441
Advice provided enabling lump sum award of additional benefits	£80,404	£39,293
No. of customers to whom help provided	2,080	422
No. money advice referrals	29	15

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 27 June 2023.

Is this a key decision? No

Do the exempt information categories apply? No

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

How many appendices does the report contain? Appendix 1: Performance Data to end Quarter 3 2022/23

List of Background Papers: None

Lead Officer: Martin Walmsley, Assistant Director – Shared Revenues and Benefits
Telephone (01522) 873597

Revenues and Benefits Joint Committee 23rd February 2023
Performance Update
Appendix 1: Performance Data Quarter 3 2022/23

<u>Measure</u>	<u>Quarter 3 2022/23</u>		<u>2021/22 Annual Outturn</u>	
	NK	COL	NK	COL
Local Authority				
Council Tax collection (cumulative)	84.99%	77.58%	98.38%	94.00%
NNDR collection (cumulative)	88.82%	85.51%	99.74%	98.45%
NNDR collection – WLDC (cumulative)	86.31%		97.90%	
No. Revenues customers awaiting change to be processed	212	444	976	2,046
Total Net Arrears for Council Tax prior years (i.e. not including current year)	£1,099,688	£5,721,467	£1,813,006	£2,197,469
Total Net Arrears for NNDR prior years (i.e. not including current year)	£53,152 (debit)	£119,457	£47,360	£117,570
Housing Benefit overpayments collection in period	139.43%	137.75%	102.89%	167.76%
Outstanding Housing Benefit overpayments debt	£1,303,080	£2,403,988	£1,418,662	£2,661,801
Housing Benefit New Claims: Average number of days to process (cumulative)	19.93 days	15.97 days	17.34 days	16.54 days
Housing Benefits Changes of Circumstances: Average number of days to process (cumulative)	4.10 days	5.76 days	2.80 days	3.55 days
No. Benefits customers awaiting assessment (cumulative)	486	1,373	651	2,117
% Benefits claims checked financially correct (cumulative)	96.41%	95.69%	96.13%	97.13%

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**SUBJECT: REVENUES AND BENEFITS - FINANCIAL MONITORING
QUARTER 3 2022/23**

REPORT BY: 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 third quarter's (ending 31st December 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 overspend against the approved budget of £107,405, a deterioration of £74,635 from quarter two, for which further details are contained within paragraph four of this report.

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, giving a revised budget of £2,538,950.
- 3.3 At quarter two, further new burdens totalling £5,228 were received, 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
New Burdens – Q2 Scottish Government ADP & SAR Exceptions 2022	2,610	2,610	5,230
REVISED BUDGET	1,350,790	1,193,380	2,544,170

3.4 No further New Burdens were issued in quarter three.

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

4.1 Performance Quarter 3

Financial performance as at the third quarter of 2022/23 is detailed in Appendix 1 to this report. At quarter three, there is an overspend against the approved budget of £73,440, a deterioration of £76,040 since quarter two.

4.2 Forecast Outturn 2022/23

The forecast outturn for 2022/23 predicts that there will be an overspend against the approved budget of £107,405, a deterioration of £74,635 from quarter two. Further details are 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 The key factor behind the deterioration in the forecast outturn at quarter three is the impact of the pay award, paid in December 2022, which was significantly higher than the budgeted pay award of 1.75% assumed within the base budget. The total impact across the shared service being £87,100.

4.5 The other key driver of 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, however these grants sit outside of the shared service budget. For the period 1st April 2022 to 31st December 2022, new burdens grants have been received from Central Government as follows – City of Lincoln £59,673 and North Kesteven £64,514. These additional grants should be taken into consideration when assessing the forecast overspend.

<u>Service Area</u>	<u>£</u>	<u>Reason for variance</u>
R&B Management		
Pay Award	11,660	Impact of pay award against budgeted assumptions.
Overtime	3,130	Additional hours as a result of oversight and management of increased workloads due to Covid-19 and other workstreams.
IT Costs	6,750	Increased cost of NEC Software from Q4 as a result of new contract.
Benefits		
Pay Award	36,750	Impact of pay award against budgeted assumptions.

Salary costs	(25,640)	Vacancy savings pending recruitment.
Overtime	37,050	Additional hours required as a result of vacancies and increased demand due to Covid-19 and increased workloads.
Postage Costs	(29,570)	Reduction in postage costs as a result of changes in distribution.
IT Costs	36,170	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		
Pay Award	21,530	Impact of pay award against budgeted assumptions.
Staffing Costs	(44,800)	Vacancy savings pending recruitment.
Overtime	24,170	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	19,450	Additional costs as a result of increased requirements, offset by NB funding for the CT Energy Rebate administration (outside of the shared service budgets).
IT Costs	25,925	New Software requirements, offset by NB funding for the CT Energy Rebate administration (outside of the shared service budgets).
Benefits/Money Advice		
Pay Award	17,160	Impact of pay award against budgeted assumptions.
Staffing Costs	(6,340)	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 three.

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 3 2022/23

	Profiled Budget			Actual YTD			Variance YTD		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits									
Management	140,510	140,510	281,015	146,696	146,696	293,392	6,186	6,186	12,372
Benefits	479,270	349,860	829,135	498,216	360,777	858,993	18,946	10,917	29,863
Revenues Local Taxation	300,520	312,780	613,298	310,724	323,406	634,130	10,204	10,626	20,830
Money Advice	89,640	89,630	179,275	94,824	94,824	189,649	5,184	5,194	10,379
Total 2022/23	1,009,940	892,780	1,902,723	1,050,460	925,704	1,976,164	40,520	32,924	73,444
Grand total							40,520	32,924	73,444

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	199,770	199,770	399,540	12,470	12,470	24,940
Benefits	643,470	469,730	1,113,200	657,239	479,781	1,137,020	13,769	10,051	23,820
Revenues Local Taxation	400,570	416,910	817,480	423,578	440,867	864,445	23,008	23,957	46,965
Money Advice	119,450	119,440	238,890	125,290	125,280	250,570	5,840	5,840	11,680
Total 2022/23	1,350,790	1,193,380	2,544,170	1,405,877	1,245,698	2,651,575	55,087	52,318	107,405
Grand total							55,087	52,318	107,405

**SUBJECT: REVENUES AND BENEFITS – BASE BUDGET FORECAST
2023/24**

REPORT BY: CHIEF EXECUTIVE & TOWN CLERK

LEAD OFFICER: JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 To present to Members the Base Budget Forecast for the Revenues and Benefits shared service for 2023/24.

2. Executive Summary

- 2.1 The Delegation and Joint Committee Agreement requires the Base Budget Forecast for the shared to be reported to Members. This report is designed to meet this requirement.
- 2.2 The Base Budget Forecast for 2023/24 is included as Appendix 1 to this report.
- 2.3 A full reconciliation to the previous Base Budget Forecast is included as Appendix 2 to this report.

3. Background

- 3.1 The Revenues and Benefits Shared Service was formed on 1st June 2011, with a budget set to deliver savings for both partner authorities.
- 3.2 Over the past decade costs have increased due to inflationary and other service pressures, with the Base Budget Forecast for 2023/24 of £2.879m, £530.4k higher than the initial Base Budget set in 2012/13, equivalent to an average increase of 2% p.a. Despite inflationary increases, ongoing efficiencies continue to be delivered by the Shared Service.

4. Base Budget Forecast 2023/24

- 4.1 The Base Budget Forecast for the shared service has been prepared and is included as Appendix 1 to this report.
- 4.2 A full review of each line of the budget has taken place to ensure a fair representation of the activity of the service. This has led to budgets being transferred between different shared service functions. Although each Authority has a different percentage of each service, across the service as a whole this hasn't led to either Authority significantly paying more than the other.
- 4.3 As a result of inflationary pressures there has been a significant increase in the base budget from last year, in the main, due to the significantly higher than

anticipated pay award in 2022/23 (as agreed nationally, all pay scales were increased by a flat rate £1,925) compounded by an increased pay award forecast for 2023/24, alongside this City Council's primary pension contribution rate has increased from 17.3% to 23.4% increasing employee costs further. A full reconciliation to the previous Base Budget Forecast is included as Appendix 2 to this report.

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 Full financial risk assessments are included within both partner authorities Medium Financial Strategies.

7. Recommendation

- 7.1 Members are recommended to approve the Base Budget Forecast for the Revenues and Benefits shared service for 2023/24.

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 Base Budget Forecast 2023/24

	2023/24		
	Shared Service £	NKDC £	CoLC £
Management			
Employees	355,460		
Supplies & Services	94,570		
Sub Total	450,030	225,020	225,020
Revenues			
Employees	920,560		
Transport	4,500		
Supplies & Services	233,530		
Recharge to WLDC	(81,800)		
Income	(15,000)		
CoLC only recovery	(94,110)		
Sub Total	967,680	493,520	474,150
Benefits			
Employees	1,155,120		
Transport	600		
Supplies & Services	42,200		
Income	(8,490)		
Sub Total	1,189,430	499,560	689,860
Money Advice			
Employees	260,900		
Transport	2,750		
Supplies & Services	8,140		
Sub Total	271,790	135,900	135,900
TOTAL	2,878,930	1,354,000	1,524,930

Appendix 2 – Reconciliation to previous Base Budget Forecast (2022-27)

	2023/24		
	Shared Service £	NKDC £	CoLC £
Original budget - 2022 – 2027	2,576,600	1,207,710	1,368,890
Increased Salary cost related to Pay Award & Increase in Pension Contributions	260,890	122,540	138,370
Increased costs of IT (new NEC Contract)	39,540	19,850	19,690
Increased costs for Postage & Training	2,390	4,120	(1,730)
Increased Income on LiNK HB Subsidy Partnership	(490)	(210)	(280)
Revised budget – 2023 – 2028	2,878,930	1,354,000	1,524,950

SUBJECT: BUSINESS RATES UPDATE

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

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

1. Purpose of Report

1.1 To provide Joint Committee with an update on current issues within non-domestic rate.

2. Executive Summary

2.1 This report provides Joint Committee with an update on non-domestic rate, to include reference to City of Lincoln Council, North Kesteven District Council and West Lindsey District Council. The report is not intended to include non-domestic rate performance matters, as this is covered in the 'Performance Update' report before this Joint Committee today.

3. Background

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

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

4. Expanded Retail Discount

4.1 The Expanded Retail Discount (ERD), first announced in response to the Covid19 pandemic and its impact on specific business sectors, is set to continue for a fourth year in 2023/24. The level of relief available under the discount has varied over the four years as to have a number of other parameters.

4.2 For the year 2023/24 the Chancellor has set out the following detail:

- The retail, hospitality and leisure relief will increase from 50% to 75% up to £110,000 per business
- A freezing of the multipliers for a further year at 49.9p (small business multiplier) and 51.2p (standard multiplier)
- Historically at the beginning of every new Rating List there has been a transitional scheme which phases in large increase in liability for the Non

Domestic Rates and this is offset by phasing in large decreases in liability. However, the transitional scheme for 2023, phases in large increases but there is no phasing of decreases and those customers will feel the benefit of any reduction in their rateable value immediately.

- The Supporting Small Business Relief scheme will cap increases at £600 a year for any business losing eligibility for some or all Small Business Rate Relief or Rural Rate Relief at the 2023 revaluation.
- The scope of the discount for 2023/24 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.

4.3 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 The Government will continue to reimburse Local Authorities (LA's) that use their discretionary relief powers under Section 47 of the Local Government Finance Act 1988 (amended).

4.5 The table below sets out the significant discounts awarded in the last three years along with an estimate on the award to be granted in 2023/24. The table also sets out the level of discount that was applied, ranging from 100% to 50%, with 2023/24 at 75%.

ERD awarded	City of Lincoln	North Kesteven	West Lindsey	Annual reduction
2020/21	£28,002,354	£6,748,970	£5,048,076	100%
2021/22	£9,544,369	£3,890,932	£2,288,599	66%(apr-jun) 100%(jul-mar)
2022/23	£2,817,372	£1,671,500	£1,026,035	50%
2023/24 estimated	£3,906,616	£2,383,359	£1,486,748	75%

Capping applies to all years with exception of 2020/21

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.

Any relief not 'spent' must be returned to the Government.

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 Relief 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.

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. The closing date for Round 2 was 31st July 2022. Those accounts that met the criteria of losses of 20% or more have been awarded 100% CARF relief for the 2021/22 liability.

Over the months February – September 2022, the Non-Domestic Rates (NDR) team in the Shared Service encouraged ratepayers to apply where they were able to evidence losses for the year 2021-22. The CARF scheme was advertised on social media and each of the Local Authority websites. Ratepayers were also contacted directly by the NDR team, helped by the Business Development teams.

Nationally, local authorities reported that they found it difficult to allocate this relief to ratepayers that may meet the scheme criteria, despite best efforts to identify and promote the scheme.

The final figures as at 30th September, are shown below.

	City of Lincoln	North Kesteven	West Lindsey
Amount of CARF	£852,032	£1,635,867	£1,396,878
No. of Accounts	89	149	236

The figures at 31st December 2022, are shown below;

	City of Lincoln	North Kesteven	West Lindsey
Amount of CARF	£852,032	£1,572,115 £63,752 reduction since end Sept 2022	£1,364,615.37 £32,263 reduction since end Sept 22
No. of Accounts	89	143 6 customers have asked for this to be removed since end September 22	228 4 customers have asked for this to be removed since end September 22

6. Potential Reductions to Rateable Value

Fire Stations and Hospitals

- 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 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 Court Buildings

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	0	0
West Lindsey	0	0	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.

6.6 Museums

On 8 June 2020, the Upper Tribunal (Lands Chamber) in the case of Stephen G Hughes (VO) vs Exeter City Council determined that the rateable value of the Royal Albert Memorial Museum was £1. The Court of Appeal have refused to allow the Valuation Office to Agency to appeal against this decision. This may be rolled out to other similar hereditaments.

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.

7.2 For each revaluation, the Government introduces a Transitional Relief scheme. Transitional relief limits how much a bill can change each year. As the NDR system is self-financing, historically these limits have limited both large increases and large decreases. In the Budget, the government announced a change to the Transitional relief scheme so that only increases were limited. For any reduction in the rateable value, a ratepayer will receive the full benefit of the reduction immediately.

7.3 The Transitional Relief Scheme – Limitations on Increases for the Following Years

Rateable Value	2023/24	2024/25	2025/26
Up to £20,000	5%	10% plus inflation	10% plus inflation
£20,001 to £100,000	15%	25% plus inflation	40% plus inflation
£100,001 +	30%	40% plus inflation	55% plus inflation

7.4 Draft lists were provided by the Valuation Office to Local Authorities on 11 November 2022. These continue to be maintained with weekly updates and the Local Authority can use this draft list with amendments to run the annual bills for 2023-24.

On 31st December 2022, the Rateable values are as shown below

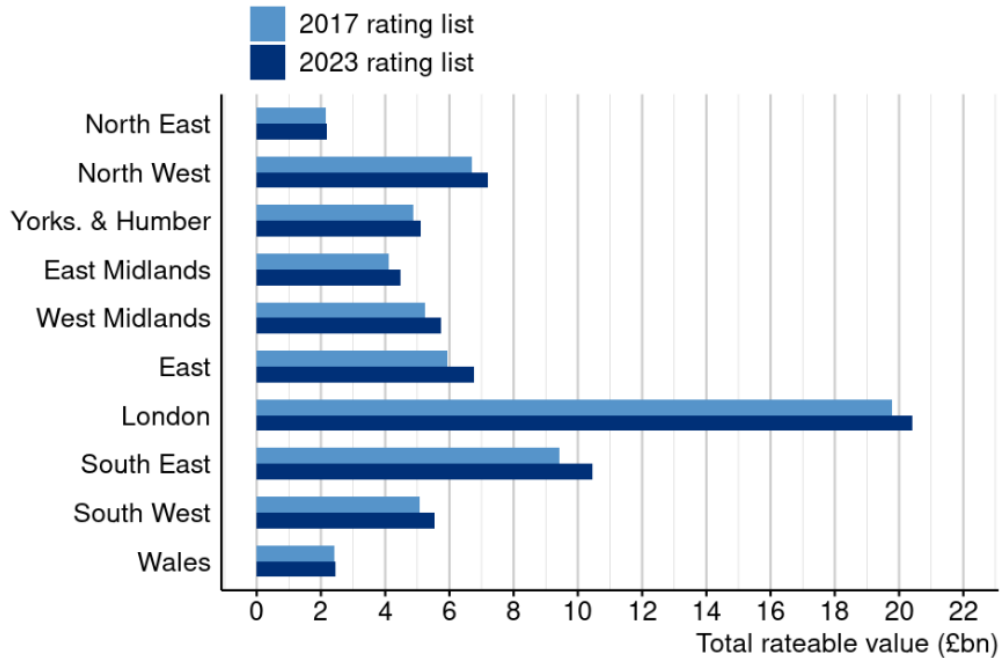
Total RV	City of Lincoln	North Kesteven	West Lindsey
2017 list	111,433,857	75,456,410	50,010,134
2023 draft list	108,726,379	84,572,607	54,050,316
% Movement	-2.49%	12.08%	8.08%

7.5 The headline figures nationally can be found on the Valuation Office website – as shown below (England only)

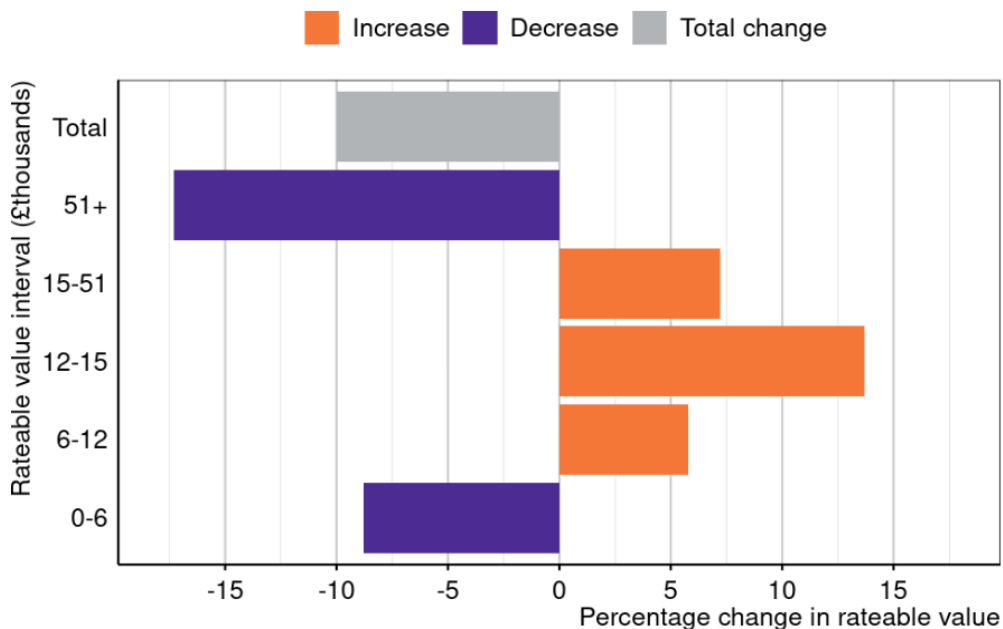
Sectors	Percentage change
Industry – storage and distribution	+32
General industrial	+27
Industry – other	+26
Other_Storage and Distribution	+21
Utilities	+19
Other-Other	+17
Health	+16
Education	+15
Other – Retail	+14
Other- offices	+11
Offices	+10
Transport	+8
Non-Residential institutions	+7
Residential Institutions	+1
Assembly and Leisure	-2

Financial and Professional Services	-9
Shops	-10
Hotels, Guest & Boarding, Self catering	-28
England Average	+7.3

Total rateable value on the 2017 and 2023 rating list by region(England and Wales)



Banded Percentage change in rateable value for the retail sector (England and Wales) Showing that the larger retail properties have had a higher reduction in rateable value.



7.6 A new relief will be provided to support investments in property improvements, 2023-2028 in the first instance. 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 this as soon as this is known.

There was a new exemption for eligible low carbon heat networks that are 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, we will report the finer detail of this as soon as this is known.

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

There are no direct financial implications arising as a result of this report. Each Council will take into account the contents of the report when preparing their NNDR1 estimates for 2023/24, the financial implications from which will be accounted for in their budget estimates.

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

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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 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, 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 13th December 2022, with statistics relevant to the period up to November 2022:

- 5,678,579 households receiving UC (this is an increase from 5,660,944 as reported at the last meeting of this Committee).

Local authority statistics are also available:

- City of Lincoln – 10,938 (10,460 as at the last report).
- North Kesteven – 6,474 (6,321 as at the last report).

- 4.2 On 25th April 2022, then 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. Further sites were announced over summer 2022, with 250 migration notices being issued in Truro, Falmouth, Harrow and Northumberland, as part of this UC ‘discovery phase’.

On 10th April 2023, DWP released a research and analysis document entitled ‘Completing the move to Universal Credit: Learning from the Discovery Phase’, link here [Completing the move to Universal Credit: Learning from the Discovery Phase - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/research-analysis/completing-the-move-to-universal-credit-learning-from-the-discovery-phase)

. The summary included in this document states: *We have learnt a great deal from the Discovery phase and have developed our approach based on this learning. The circumstances for every household are different, but Discovery has shown us that on the whole households are able to make the move to UC. In line with our assumptions claimants on tax credits appear to be more digitally capable and able to make the move with less support. We have focused the later phases of Discovery on tax credit only cases to test different approaches around engagement to maximise the number of people making a claim. There is more we still need to test, including how we engage with a greater number of claimants at the same time, increasing the understanding around Transitional Protection and finding the optimal time to engage with different claimants. Overall, the evidence from Discovery is positive and provides us with confidence that we can safely transition claimants to UC.*

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 continue to report back to this Committee with relevant updates at future meetings.

5. Discretionary Housing Payments (DHP)

- 5.1 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 increased to £132,330 (Lincoln) and £86,931 (North Kesteven). In addition to this, relatively small amount of un-allocated Council Tax Hardship Fund monies have been added to supplement the 2023/23 DHP government grants – City of Lincoln £8,426.13 (bringing the total 2022/23 DHP ‘budget’ to £140,756.13), North Kesteven £5,595.94 (bringing the total 2022/23 DHP ‘budget’ to £92,526.94).
- 5.2 The table below breaks down the number of DHP applications received and determined in Quarter 3 2022/23.

DHP applications – Quarter 3 2022/23	City of Lincoln	North Kesteven
Total number awarded	281 <i>(Quarter 3 2021/22 = 561)</i>	179 <i>(Quarter 3 2021/22 = 324)</i>
No. awarded for Housing Benefit	98 <i>(Quarter 3 2021/22 = 306)</i>	67 <i>(Quarter 3 2021/22 = 155)</i>
No. awarded for Universal Credit	183 <i>(Quarter 3 2021/22= 255)</i>	112 <i>(Quarter 3 2021/22 = 169)</i>
Average DHP award	£374.31 <i>(Quarter 3 2021/22 = £326.04)</i>	£412.83 <i>(Quarter 3 2021/22 = £383.56)</i>

5.3 The table below shows DHP spend for 2022/23 up to the end of Quarter 3.

	Central Government - DHP Grant 2022/23	Local Authority Top up 2022/23	Total DHP Grant 2022/23	DHP net spend as at 31st Dec 2022	DHP committed as at 31st Dec 2022	DHP total spend as at 31st Dec 2022	% Grant spent
City of Lincoln	£132,330	£8,426	£140,756	£75,535	£29,645	£105,180	74.73%
North Kesteven	£86,931	£5,596	£92,527	£59,488	£14,409	£73,897	79.87%

5.4 Overall DHP funding for 2022/23 was reduced nationally from £140m to £100m. Consequently, grants for City of Lincoln and North Kesteven were also 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

5.5 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.

In 2022/23 there have been less applications but the average award per case is higher than in 2021/22. Also, it is anticipated spend will not exceed the government grant (plus 'top-up' from unallocated Council Tax Hardship Fund). The paragraphs below give some context to these statements.

For 2021/22, an internal decision was made to help manage application numbers and allocate resources accordingly, that any live DHP award as at 31st March 2022 would be extended for an 8-week period covering 4th April 2022 to 8th May 2022. This effectively 'inflated' the number of awards made for the year as a percentage of these cases may never have made a claim, had they been required to make an application. Many of these claims were not extended after the 8-week period which then brought the average award figure down over the whole year.

It is not anticipated that government funding will be exceeded as officers have worked hard to reduce the number of customers relying on DHP on a long-term basis by signposting to services that help with debt advice for example, or helping customers look for cheaper, more affordable accommodation.

Each applicant that was awarded a DHP for 2022/23, was asked to meet a 'conditionality' such as reduce their outgoings, register for Homefinder or seek debt advice for future applications to be considered. A key challenge for 2023/24, will be requesting customers to evidence that they have met their 'conditionality' but also whether they can realistically improve their situation when there are barriers in place such as the current economic climate and subsequent cost of living, and the limited number of Council houses available.

6. Household Support Fund

- 6.1 £421 million was made available in 2021/22 England to support those most in need over the winter period. This funding covered the period 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

- 6.2 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 being allocated to Lincolnshire County Council again. Fund criteria this time also included a new requirement for at least 33.33% of funding to be allocated to those of pension age. The tables below show how these funds were allocated for this second round of Household Support Fund.

City of Lincoln

Category	Food	
Number of families without children	301	
Number of families with children	424	
Households with Pensioners	2,077	
Total Amount of Award	£318,570	Total Paid £318,570

North Kesteven

Category	Food/Energy	
Number of families without children	83	
Number of families with children	270	
Households with Pensioners	2,290	
Total Amount of Award	£300,479	Total Paid £300,479

- 6.3 In May 2022, the Chancellor of the Exchequer announced that there would be a third round of the Household Support Fund to cover the period from October 2022 to March 2023. Guidance and funding details were made available during August and September 2022.

Lincolnshire was allocated £5.46m for this third round of the Household Support Fund. This time, the government did not ringfence any of this funding for particular groups of people. However, local authorities were asked to consider groups who may not have benefitted from any of the recent cost of living support.

On this basis, Lincolnshire County Council worked with District Councils to identify and agree the most appropriate methods for distributing this grant funding, as there was also a requirement to provide access to the funding via an application process.

Household Support Fund wave 3 phase 1 was delivered in Lincoln and North Kesteven in December 2022 and January 2023. Applications for support were taken from our referral partners and vouchers/payments allocated accordingly. Also, for those in receipt of Housing Benefit and not entitled to the national Cost of Living Payment, a £250 voucher was issued (via the Post Office) to these households. To the end of January 2023, under this phase of Household Support Fund, payments totalling £241,250 have been allocated to City of Lincoln residents, £209,112 to North Kesteven residents.

In terms of Household Support Fund 3 phase 2 – to be delivered in February/March 2023 (all payments to be made by the end of 31st March 2023), £61,204 has been allocated to City of Lincoln and £42,078 to North Kesteven. Following decision-making protocols, officers are now working with partner organisations to deliver these monies promptly, effectively and to those identified/referred as being most in need.

In his Autumn statement the Chancellor of the Exchequer announced an extension to the Household Support Fund, running from 1st April 2023 to 31st March 2024. Guidance and allocations for this round of funding is still to be announced. Officers are working on protocols in terms of decision-making for the wave of funding, which will be further progressed in due course once more information is released by central government.

7. Council Tax Energy Rebate

- 7.1 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.

- 7.2 The report presented to this Committee on 24th November 2022 updated on the mandatory scheme for Council Tax energy Rebate. This report for 23rd February 2023, updates on spend for the Discretionary Fund scheme.

- 7.3 As mentioned above, government 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 had to be made by 30th November 2022.

Details of the City of Lincoln Council and North Kesteven District Council discretionary schemes which were operated, are as below:

The relevant date for this Scheme is 1st April 2022, and;

- *This must have been your sole or main residence on 1st April 2022*
- *The property must have been occupied – second homes and empty properties are ineligible*
- *You must not have received, or been eligible for, a payment under the Mandatory Scheme.*
- *The property must be a chargeable dwelling, or exempt under classes N,S,U or W of the Council Tax (Exempt Dwellings Order)*

We will make one payment of £150.00 to the household. A household is a person or persons who are in occupation of the property as their sole or main residence.

We have identified the following customers as a priority for funding:

1. *Customers in bands E-H who are in receipt of Council Tax Support*
2. *Customers in bands F-H where their band has been reduced under the Disabled Band Scheme*
3. *Customers in Bands E-H where all occupants are under 18*
4. *Customers in Bands E-H where either an occupier or all occupiers are classified as Severely Mentally Impaired for Council Tax purposes*
5. *Customers occupying properties on 1st April 2022 with a provisional Council Tax band – their assessed band must be A-D and received by the Council before 30th November 2022*
6. *Customers in bands A-D where the Council Tax is in the name of the Landlord and the tenant pays the energy bills*
7. *Customers in Bands E-H who can evidence that they have Exceptional Financial Hardship and that their energy bills are a contributory factor*
8. *Customers in Bands E-H where the Council Tax is in the name of the Landlord and the tenant pays the energy bills can apply under (6) above. This includes properties occupied by students if the student can evidence that they pay the energy bills*

For customers in categories 1-4, we will pay these immediately, or as soon as possible if they pay by Direct Debit. Otherwise, we will write to them for bank details. They will be given an access key which must be used within 30 days. After the access key expires, we will take steps to add the Energy Rebate to the Council Tax account as soon as possible.

For customers in category 5 – you will be considered at the end of the scheme but before categories 6,7 and 8. We will write to category 5 customers with an access key which must be used within 30 days. After the access key expires, we will take steps to add the Energy Rebate to the Council Tax account as soon as possible.

For customers in category 6, as you are not liable for Council Tax, we will write to 'the Occupier'. We will assume an application is made on behalf of the household and will not enter into disputes between tenants about who should receive the payment.

You will have to evidence that you were in occupation of the property on 1st April 2022 and that the energy bills were in your name.

For customers in categories 7 and 8, these will be by an 'open application' system as we are unable to identify customers in these categories from our Council Tax systems.

*Please watch our websites and social media for the application pages.
Categories 5-8 will be awarded, where possible, after the closing date of the scheme.*

7.4 Final Discretionary Fund scheme spend, was as below:

- City of Lincoln: £197,236 (fund allocation was £196,950)
- North Kesteven: £119,760 (fund allocation was £121,800).

8. Energy Bill Support Scheme Alternative Funding (EBSS AF)

8.1 In October 2021, Central government announced that the EBSS AF scheme is intended to provide the £400 of support for households across the UK that would otherwise miss out on the Energy Bills Support Scheme – which the vast majority of households are already receiving – as they do not have a domestic electricity contract. It will also support the delivery of £100 Domestic Alternative Fuel Payments where these cannot be automatically delivered to households through other means, such as suppliers.

8.2 The government further announced, on 19th December 2022, how people in England, Scotland and Wales without a direct relationship to a domestic energy supplier, including many care home residents and those living in park homes, will receive a £400 discount on their fuel bills through EBSS AF.

The government is also providing a further £200 Alternative Fuel Payment (AFP) to help those households in Great Britain who use alternative fuels such as biomass or heating oil to meet energy costs this winter. Most households eligible for the AFP support in Great Britain, will receive payment automatically via their electricity supplier in February, with no need to take any action. Those households who will need to apply for the AFP, for example because they do not have a relationship with an electricity supplier, will be able to do so in February, through the same GOV.UK portal as the one that will be used to apply for support under the EBSS Alternative Funding scheme.

It was expected that online applications will open in January for households in England, Scotland and Wales who are eligible for the £400 EBSS AF to submit their details, alongside a helpline for those without online access. Payments to households that meet the eligibility criteria – including people who get their energy through a commercial contract or who are off-grid – will be made by local authorities in Great Britain. This is likely to include:

- care home residents
- residents of park homes
- tenants in certain private and social rented homes
- homes supplied via private wires
- residents of caravans and houseboats on registered sites
- farmers living in domestic farmhouses
- off-grid households

Most households who do not have a direct relationship with a domestic energy supplier have already been benefitting from subsidised energy bills through the government's business support scheme, with the Energy Prices Act legislation passed earlier in the year to ensure those benefits are passed on to consumers who do not pay their energy bills directly.

To make the process as simple as possible for consumers, those who are eligible for the EBSS AF will need to submit a short online form via the government's GOV.UK pages. A dedicated customer helpline will be available to assist customers who do not have online access, with further details to be released. Customers who are eligible for support under the main Energy Bills Support Scheme are not eligible for EBSS AF.

Once customers have applied to receive support and their applications have been processed and verified, eligible customers' details will be shared with local authorities across England, Scotland and Wales, who will deliver the one-off, non-repayable support this winter.

An update was received on 20th January 2023 stating that the scheme had been delayed, and further information would be provided in due course. It is now anticipated this scheme will go live in week-commencing 20th February 2023. A verbal update will be provided to Revenues and Benefits Joint Committee on 23rd February 2023.

9. Council Tax Support Fund 2023/24

On 23rd December 2022, central government provided guidance to local authorities regarding a £100 million Council Tax Support Fund for 2023/24, whereby awards of up to £25 are to be made to Council Taxpayers in receipt of Council Tax Support, - with an element of funding also to be made for discretionary local funds in 2023/24. Funding allocations for City of Lincoln and North Kesteven are £222,803 and £142,500, respectively. Subject to a required ICT 'patch' being made available from our software providers NEC, and being successfully tested and installed into a live environment, it is hoped that the awards will be made as part of the 2023/24 annual Council Tax billing processes. Remaining funding will then be considered for both local authorities, with recommendations made in the early part of 2023/24, in relation to local discretionary schemes. A verbal update will be provided to Revenues and Benefits Joint Committee on 23rd February 2023.

10. Financial Inclusion

10.1 Financial inclusion continues to be a key objective and factor in many areas of LiNK's work. The Lincolnshire Financial Inclusion Partnership (LFIP) is currently chaired by the Assistant Director 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. LFIP aims to ensure that everyone has the capability and opportunity to access appropriate financial services and products needed to participate fully in society.

LFIP 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.

LFIP is currently further developing an action plan in place relating to financial inclusion for the 'Cost of Living Support' for Lincolnshire, which is managed and monitored through quarterly meetings of the LFIP Steering Group and full LFIP Group. A LFIP Conference relating to Cost of Living matters is being held in Boston, on 21st February 2023: [Lincolnshire Financial Wellbeing Conference Tickets, Tue 21 Feb 2023 at 09:30 | Eventbrite](#)

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 \(n-kesteven.gov.uk\)](#)

11. Strategic Priorities

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

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

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

12. Organisational Impacts

12.1 Finance

There are no direct financial implications arising as a result of this report.

12.2 Legal implications inc Procurement Rules

There are no direct Legal or Procurement implications arising from this report.

13. Risk Implications

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

14. Recommendation

14.1 That 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
Lead Officer:	Rebecca Cox, Welfare Reform and Project Lead, Welfare.Reform@lincoln.gov.uk

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