

Present: Councillor Donald Nannestad (*in the Chair*),
Councillor Sue Burke, Councillor Mary Green and
Councillor Sally Tarry

Apologies for Absence: Councillor Ric Metcalfe

1. Appointment of Chair

RESOLVED that

1. Councillor Donald Nannestad, City of Lincoln Council be appointed as Chair for today's meeting in the absence of Councillor Ric Metcalfe, Leader of the Council.
2. Councillor Ric Metcalfe be appointed as Chair of Shared Revenues and Benefits Joint Committee for the remainder of the 2023/24 Municipal Year.

2. Confirmation of Minutes - 23 February 2023

RESOLVED that the minutes of the meeting held on 23 February 2023 be confirmed.

3. Declarations of Interest

No declarations of interest were received.

4. 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, with an update to be presented to the next meeting of the Committee on 7 September 2023.

Alternative Options Considered and Rejected

None.

Reason for Decision

The report provided information on Revenues and Benefits performance in respect of annual outturns for the financial year 2022/23.

The Revenues and Benefits Shared Service had now been in operation for twelve 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 global pandemic and then cost of living challenges had understandably impacted on some areas of performance and these impacts were likely to continue for many more months.

In respect of Council Tax, for the financial year 2022/23, in-year collection for Lincoln and North Kesteven was up by 0.15% and 0.03% respectively compared to 2021/22. Net collectable debit for 2022/23 (compared to 2021/22) increased by £2,955,932 for Lincoln and £4,464,550 for North Kesteven.

Although performance had not yet returned to pre-pandemic levels of collection, the increase to both in-year collection rates was a positive achievement in light of the significant impacts of the well-documented cost of living challenges locally and nationally.

In terms of 2022/23 national in-year collection rates for Council Tax recently published, North Kesteven was the 9th highest compared to the rest of the country, up from 28th place the year before. Lincoln was ranked at 240th, which was 26 places higher than the year before.

In respect of Business Rates, for the financial year 2022/23, in-year collection was up for Lincoln by 0.74%, North Kesteven down by 0.40% and West Lindsey up by 0.64%. It should be noted that performance in financial years since the start of the Covid-19 pandemic was not wholly comparable 'like for like' due to differing levels of discounts/reliefs available, - however all three collection outturns were positive – particularly in light of the economic climate and significant challenges for businesses over the last three years.

In terms of 2022/23 national in-year collection rates for business rates, North Kesteven achieved the highest in the country for 2021/22 and came 14th in 2022/23, Lincoln achieved 48th position in 2021/22 and improved to 22nd place in 2022/23, and West Lindsey achieved 170th position in 2021/22 and improved to 162nd place in 2022/23.

As at the end of the financial year 2022/23, outstanding Revenues documents stood at a total of 935 (split Lincoln 637, North Kesteven 298). This figure was significantly lower than at the end of 2021/22 (total 3,022) – with progress being made in the latter half of 2022/23 due to a number of reasons; recruiting to vacant positions, resources reallocated to 'core' Revenues work following delivery of the Council Tax energy Rebate scheme, and recruitment to vacant posts. However, there were again currently vacant positions on this team – it was hoped these were recruited to as soon as possible to help curb the rising level of outstanding work in 2023/24 so far.

To give some context as to the workload of the Revenues Team, in 2022/23 51,585 documents were completed in our electronic document management system, as well as 44,846 telephone calls taken.

As at the end of the year 2022/23, in collection rates for housing benefit overpayments and outstanding monies were as follows:

| Financial year 2022/23 outturn | City of Lincoln | North Kesteven |
|--|------------------------|-----------------------|
| In-year collection rate | 114.59% | 143.02% |
| Amount collected | £704,467 | £377,867 |
| Outstanding Housing Benefit overpayments | £2,458,831 | £1,267,664 |

| | | |
|------|--|--|
| debt | | |
|------|--|--|

Performance in this area continued to be positive – outstanding debt continued to decrease and in-period collection was exceeding 100% for both partner Councils

As at the end of the financial year 2022/23, there were 2,720 Benefits customers outstanding (awaiting assessment) – split Lincoln 1,792, North Kesteven 928. This was almost the same figure as at the end of 2021/22 (2,768) – a notable and positive achievement, when considering the demands on the team throughout the year – i.e., not only having to keep on top of the incoming workload, but delivering other schemes such as the Household Support Fund, Discretionary Housing Payments, as well as advice to customers around cost of living support. The number of Universal Credit (UC) documents requiring processing continued to have a real impact on the team, too. To give some context as to the workload of the Benefits Team, in 2022/23, 62,714 documents were completed in our electronic document management system, as well as 3,179 telephone calls taken.

Despite the team's workload, due to efficient and proactive processes in place, Benefit claims were assessed on a timely basis as detailed at paragraph 5.2 of the officer's report.

The importance in processing Benefits claims accurately remained of paramount importance, – i.e., 'getting it right, first time.' In 2022/23, City of Lincoln's 'right first time' assessment of cases checked was 95.26% (1,427 out of 1,498) and for North Kesteven 96.70 (1,113/1,151). A significantly higher number of checks took place in 2022/23 compared to 2021/22, with a focus on a number of areas including the assessment of homelessness cases, in line with the team's robust quality checking mechanisms.

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

The table at paragraph 6.2 of the officer's report showed the vital monies that our Welfare Team had continued to assist customers to access during 2022/23 (comparing to 2021/22). The demographics and demands were such in the districts, with Covid-19 undoubtedly having an impact in North Kesteven where home visits (which had pre-Covid been key in offering welfare/benefits advice) not being possible to deliver in the same way. As the new financial year 2023/24 moved forward, officers would further develop new ways of working to ensure customers could access the services of this team through a variety of different methods.

There were a number of key reasons why the levels of Welfare/Money advice in Lincoln was higher than in North Kesteven, including:

- Differences in demographics;
- 'Customer journey' different at each Council;
- Significant number of foodbank vouchers issued at Lincoln (1,686) compared to North Kesteven (79).

A small working group of officers from both partner Councils was currently reviewing demands and processes for the Welfare Team.

Members queried the figure quoted at Appendix 1 for 'total net arrears for council tax prior years for annual outturn 2021/22 - City of Lincoln Council', which was about half the figure of that in 2022/23. The Assistant Director of Shared Revenues and Benefits agreed to check this entry.

5. Revenues and Benefits - Financial Outturn 2022/23

Purpose of Report

To provide the Shared Revenues and Benefits Joint Committee with the financial outturn for the Revenues and Benefits Shared Service for 2022/23, as detailed at Appendix 1 to the report.

Decision

That the financial outturn for the Revenues and Benefits shared service for 2022/23 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. At Quarter 2 it was further increased to reflect additional New Burdens grants totalling £5,228 giving a revised budget of £2,544,170. Again at Quarter 4, the budget was increased by a further £43,290 to reflect additional New Burdens grants giving a revised budget of £2,587,470.

The 2022/23 financial outturn for the Revenues and Benefit Shared Service resulted in an overspend of £119,915, a variance of 4.6% of the revised budget. This was prior to a recharge for pension strain costs totalling £21,935.38 to be split on a 50/50 basis at agreed between both authorities.

The main year-end variations against the approved budget for 2022/23 were noted within the table at paragraph 4.5 of the officer's report:

The most significant variance against the approved budget was 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.

The other key driver of 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, a large proportion of which was charged in quarter four. Each Council received a grant to compensate them for this, along with other administration costs associated with these payments, however these grants sat outside of the shared service budget. Further new burdens grants were received in March bringing the total grants

received from Central Government to; City of Lincoln £166,419 and North Kesteven £175,183. These additional grants should be taken into consideration when assessing the forecast overspend

6. 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. The report was not intended to include non-domestic rate performance matters, as this was covered within the Performance Update reported to Joint Committee today.

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. 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 for the Expanded Retail Relief was set out by the Department for Levelling Up, Housing and Communities (DLUHC) and issued to Local Authorities on 20 December 2021

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 in the last three years, with an estimate on the award to be granted in 2023//24.

Discount for businesses affected by Covid 19 was detailed at paragraph 5 of the officer's report and potential reductions to rateable values contained within paragraph 6.

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

For each revaluation, the Government introduced a Transitional Relief scheme. Transitional relief limited how much a bill could change each year. As the Ndr system was self-financing, historically these limits had 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 would receive the full benefit of the reduction immediately.

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 12 month exemption on an increase in the rateable value where a property was improved. However, the final detail of this was not known at this time.

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. The final detail of this was not known at this time.

7. Cost of Living Support

Purpose of Report

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

Decision

1. That the content of the report be noted, and a further update be presented at the next meeting of this Committee.

2. That the updates with regard to Household Support Fund wave 4, approving and supporting implementation as outlined in the officer's report be noted.
3. That North Kesteven District Council Members in attendance at Revenues and Benefits Joint Committee on 27th June 2023, supported an update on progress to be received by the Executive Board on 27th July 2023.

Alternative Options Considered and Rejected

None.

Reason for Decision

This report provides Shared Revenues and Benefits 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, Energy Bill Support Schemes, Council Tax Support Fund and Financial Inclusion matters.

The national Welfare Reform agenda 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 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 operating of our shared service, to ensure a proactive and positive response to welfare reform and the impacts on residents.

The Covid-19 pandemic and now the rising cost of living, had caused major challenges to households locally and nationally. The Revenues and Benefits Shared Service played a lead and key role in developing delivering schemes to help mitigate some of the impacts of cost of living challenges. Some of these schemes were directly delivered by this Service, - some in partnership with other teams within the Councils, also with organisations such as those in the voluntary sector.

Universal Credit

The latest national figures published by the Department for Work and Pensions (DWP) were released on 18th April 2023, with statistics relevant to the period up to February 2023:

- 5,836,354 households receiving UC (this is an increase from 5,678,579 as reported at the last meeting of this Committee).

Local authority statistics:

- City of Lincoln – 11,305 (10,938 as at the last report).
- North Kesteven – 6,644 (6,474 as at the last report).

[Tax credits are ending - Understanding Universal Credit](#)). DWP had also announced, through the Autumn Statement 2022, that the managed migration of Employment and Support Allowance (ESA) cases had been delayed to 2028/29.

Discretionary Housing Payments (DHP)

City of Lincoln's DHP initial government grant for 2022/23 was £129,643 and North Kesteven's £85,166. The mid-year additional DHP grant announcement 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 were 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).

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.

On 23rd February 2023, DWP announced DHP government grants for 2023/24. For City of Lincoln and North Kesteven, these were exactly the same amounts as for 2022/23; the national DHP allocation for 2024/25 would also be the same as for 2023/24.

Household Support Fund Wave 3 (HSF3)

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 ring-fence 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 was allocated to City of Lincoln residents, £209,112 to North Kesteven residents.

Household Support Fund Wave 4 (HSF4)

Lincolnshire County Council had recently confirmed plans in respect of Household Support Fund Wave 4 and updated its HSF website.

In terms of District Councils' separate allocations of HSF4 to be utilised to work with partners to provide payments, including through an application-based process in part (a requirement of the national HSF4 guidance), these had now been communicated to District Councils' HSF4 lead officers, - for City of Lincoln

£202,676 had been allocated, and for North Kesteven £139,340. (addendum to report circulated to Committee)

Energy Bill Support Scheme Alternative Funding/Alternative Fuel Payment

In October 2022, Central Government announced that the EBSS AF scheme was 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 did not have a domestic electricity contract.

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, would receive a £400 discount on their fuel bills through EBSS AF.

The government was also providing a further £200 Alternative Fuel Payment (AFP) to help those households in Great Britain who used alternative fuels such as biomass or heating oil to meet energy costs this winter.

Applications approved and paid for both City of Lincoln and North Kesteven were detailed within the officer's report.

Council Tax Support Scheme 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 were 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 were £222,303 and £142,500, respectively.

Payments of up to £50.00 (the prescribed maximum was £25.00) were made to City of Lincoln and North Kesteven taxpayers as part of the 2023/24 Council Tax annual billing process. Remaining funding would be considered for local schemes in 2023/24. These figures were £101,705 for City of Lincoln, and £38,628 for North Kesteven

Financial Inclusion

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