



SHARED REVENUES AND BENEFITS JOINT COMMITTEE

Tuesday, 27 June 2023

2.00 pm

Committee Rooms 1-2, City Hall

Membership:	Councillors Sue Burke (City of Lincoln Council), Councillor Mary Green (North Kesteven District Council), Ric Metcalfe (City of Lincoln Council) and Sally Tarry (North Kesteven District Council)
Substitute members:	Councillors Donald Nannestad (City of Lincoln Council) and Councillor Mark Smith (North Kesteven District 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 873372 as soon as possible. Substitute members will be contacted if they are required to attend the meeting.

SECTION A	Page(s)
1. Appointment of Chair	
2. Confirmation of Minutes - 23 February 2023	3 - 18
3. Declarations of Interest	
Please note that, in accordance with the Members' Code of Conduct, when declaring interests members must disclose the existence and nature of the interest, and whether it is a disclosable pecuniary interest (DPI) or personal and/or pecuniary.	
4. Performance Update	19 - 26

5. Revenues and Benefits - Financial Outturn 2022/23	27 - 32
6. Business Rates Update	33 - 42
7. Cost of Living Support	43 - 52

Details of Next Meeting: Thursday, 7 September 2023 (2.00 pm) in Committee Room,
North Kesteven District Council Offices

Shared Revenues and Benefits Joint Committee

23 February 2023

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

Apologies for Absence: None.

14. Confirmation of Minutes - 24 November 2022

RESOLVED that the minutes of the meeting held on 24 November 2022 be confirmed.

15. Declarations of Interest

No declarations of interest were received.

16. 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 27 June 2023.

Alternative Options Considered and Rejected

None.

Reason for Decision

The report provided information on revenues performance for Quarter 3 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 3 2022/23, in-year collection for Lincoln and North Kesteven was up by 1.76% and 0.75% 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. As at the end of January 2023, Council Tax in-year collection was up by 2.13% and 0.62% for City of Lincoln and North Kesteven respectively, compared to the end of January 2022.

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

In terms of Business Rates, up to the end of Quarter 3 2022/23, compared to the same point in 2021/22 in-year collection was up for all three local authorities: Lincoln (by 1.40%), North Kesteven (by 4.57%) and West Lindsey (by 7.62%). 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). All three collections were less 'up' compared to the end of Quarter 2 2022/23, so was perhaps starting to demonstrate a more accurate position on collection as the inflated performance due to CARF started to 'even out' as the financial year continued to progress. As at the end of January 2023, Business Rates in-year collection was up by 0.73%, 4.01% and 5.28% for City of Lincoln, North Kesteven and West Lindsey respectively, compared to the end of January 2022.

As at the end of the Quarter 3 2022/23, the number of outstanding revenues customers stood at a total of 656, of which 444 were from the City of Lincoln and 212 from North Kesteven which was a significant reduction from the end of Quarter 2 2022/23 (where 4,138 items were outstanding). This had taken place due to a number of reasons - staffing vacancies, being filled (further appointments to follow within establishment), "trawling" of outstanding work queues to complete items which had already been processed through other routes, as well as the intensive resources that had been required by 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 was vital to enable accurate bills to be issued. As at the end of January 2023, outstanding Revenues customers stood at 348 (City of Lincoln) and 139 (North Kesteven) – total 487.

Despite the significant demands on the Benefits Team, officers continued 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 (End Quarter 3 2021/22 16.45 days)	19.93 days (End Quarter 3 2021/22 16.54 days)
Changes of Circumstance	5.76 days (End Quarter 3 2021/22 5.37 days)	4.10 days (End Quarter 3 2021/22 3.99 days)

Work continued 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 were 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 were 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.*

As at the end of January 2023, for the year 2022/23 to date, Housing Benefit New Claims were being processed in an average of 15.87 days and 19.95 days for City of Lincoln and North Kesteven respectively. As at the end of January 2023, for the year 2022/23 to date, Housing Benefit Changes of Circumstance were being processed in an average of 4.96 days and 3.62 days for City of Lincoln and North Kesteven respectively.

As at the end of Quarter 3 2022/23, in-period collection of Housing Benefit overpayments stood at 137.75% for City of Lincoln and 139.43% for North Kesteven. Outstanding Housing Benefit overpayments debt also continued to decrease overall as at the end of Quarter 3 2023/24, at £2,403,988 for City of Lincoln and £1,303,080 for North Kesteven. As at the end of January 2023, Housing Benefit overpayment in-year collection was 134.51% for City of Lincoln and 140.18% for North Kesteven. At the end of January 2023, outstanding Housing Benefit overpayments debt was £2,395,888 and £1,286,244 for City of Lincoln and North Kesteven, respectively.

As at the end of Quarter 3 2022/23, there were 1,859 Benefit customers outstanding and awaiting assessment, (split Lincoln 1,373, North Kesteven 486) The positive direction of travel with regard to outstanding workload reduction continued, as with Revenues work it was vital to be as up to date as possible before annual Council Tax billing and benefits uprating's for 2023/24 Demands on the team would be significant in Quarter 4 as annual changes in circumstances were reported e.g. rent increases, pension increases. There also continued to be a significant demand on the Benefits Team, particularly in relation to Universal Credit related information impacting on Housing Benefit and Council Tax Support claims, as well as Discretionary Housing Payments and Household Support Fund. As at today, 23rd February 2023, outstanding Benefit customers stood at 1,006 (City of Lincoln) and 358 (North Kesteven) – total 1,364.

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 3 2023/24 the City of Lincoln figure stood at: 95.69% (*1,087 out of 1,136 checked*), and North Kesteven: 96.41% (*833 out of 864 checked*.) As at the end of January 2023, these figures were 95.72% for City of Lincoln and 96.36% for North Kesteven

Further analysis had been undertaken on the level of 'incorrectness' in assessment as requested by this Committee on 24 November 2022, as detailed at paragraph 5.3 of the officers report.

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 third quarter of 2022/23. Further detail was set out within the table at Paragraph 6.1 of the officer's report.

The Lincolnshire Financial Inclusion Partnership (LFIP) Conference was held at Boston United Football Club this week chaired by Martin Walmsley, Assistant Director, Shared Revenues and Benefits Service. It had been a very successful event. One speaker had noted that welfare advice teams contribute more to customers' pockets than the amount spent on their administrative expenses.

17. Revenues and Benefits - Financial Monitoring Quarter 3 2022/23

Purpose of Report

To provide the Shared Revenues and Benefits Joint Committee with the third quarter's (ending 31 December 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 third quarter of 2022/23 as detailed at Appendix 1 of the officer's report resulted in an overspend against the approved budget of £73,440, a deterioration of £76,040 since quarter two.

The forecast outturn for 2022/23 predicted that there would be an overspend against the approved budget of £107,405, a deterioration of £74,635 from quarter 2, 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 4.5 of the officer's report:

The key factor behind the deterioration in the forecast outturn at quarter three 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 was £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. Each Council had 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.

For the period 1st April 2022 to 31st December 2022, new burdens grants had 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.

It was noted that financial pressure was felt across the whole board with all local authorities feeling the extreme strain on resources in the budgetary process.

18. Revenues and Benefits-Base Budget Forecast 2023/24

Purpose of Report

To present the Base Budget Forecast for the Revenues and Benefits Shared Service for 2023/24.

Decision

1. That the Base Budget Forecast for the Revenues and Benefits Shared Service for 2023/24 be approved.
2. Officers to report back to the next meeting of this Committee following further investigations made on any advances in technology to enable the service to further benefit for similar or less amounts of money.

Alternative Options Considered and Rejected

None.

Reason for Decision

The Base Budget Forecast for 2023/24 was included at Appendix 1 to the report, including a full reconciliation to the previous Base Budget Forecast outlined in Appendix 2.

Over the past decade costs had 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 continued to be delivered by the Shared Service.

A full review of each line of the budget had taken place to ensure a fair representation of the activity of the service. This had led to budgets being transferred between different shared service functions but had not resulted in either authority significantly paying more than the other.

As a result of inflationary pressures there had 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 had increased from 17.3% to 23.4% increasing employee costs further. A full reconciliation to the previous Base Budget Forecast was included as Appendix 2 to this report.

It was agreed that further investigations would be carried out by officers on any advances in technology available which would enable the service to further benefit for similar or less amounts of money. This would be fed back to the next meeting of this Committee.

19. 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

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

For 2023/24 the Chancellor set out:

- An increase in retail, hospitality and leisure relief 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 had been a transitional scheme which phased in a large increase in liability for the Non Domestic Rates and this was offset by phasing in large decreases in liability. However, the transitional scheme for 2023, phased in large increases but there was no phasing of decreases and those customers would feel the benefit of any reduction in their rateable value immediately.
- The Supporting Small Business Relief scheme would 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 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.

Properties that would benefit from the relief would be occupied hereditaments that were 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.

Government would continue to 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 4.5 of the officer's report reflected 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 set out the level of discount applied, ranging from 100% to 50%, with 2023/24 at 75%.

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 applications closed on 31 March 2022 with those accounts that met the criteria of losses of 30% or more 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.

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 were detailed at paragraph 5.4 of the officer's report.

Fire Stations and Hospitals - Potential Reductions in Rateable Value

On 4 December 2020, the Valuation Office Agency (VOA) advised all local authorities that they may start to see changes in the rateable values of hospitals and fire stations. These categories had been in discussion under the VOA's Group Pre-Challenge Review (GPCR) procedure. Further detail was outlined at paragraph 6 of the officer's report.

Court Buildings

On 20 May 2021 we received a further notification from the Valuation Office that there was a GPCR Challenge regarding Court Buildings. This had been completed on a representative group of around 30 Courts. The agreed basis resulted 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 had now been amended as per the Valuation Office schedule.

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 had refused to allow the Valuation Office to Agency to appeal against this decision. This may be rolled out to other similar hereditaments.

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 came 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 a 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 and would be reported as soon as 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 of this would be reported as soon as this was known.

20. 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 13 December 2022, with statistics relevant to the period up to November 2022:

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

Local authority statistics were 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).

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. Further sites were announced over summer 2022, with 250 migration notices issued in Truro, Falmouth, Harrow and Northumberland as part of the 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’, [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)

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).

In addition to this, relatively small amount of un-allocated Council Tax Hardship Fund monies had been added to supplement the 2022/23 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).

The number of DHP applications received and determined in Quarter 3 2022/23 was detailed at paragraph 5.2 of the officers report.

DHP spend for up to the end of Quarter 3 of the financial year 2022/23 amounted to £105,180, (74.73% of DHP Grant) for City of Lincoln and £73,897 (79.87% 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.

In 2022/23 there had been less applications but the average award per case was higher than in 2021/22. Also, it was anticipated spend would not exceed the government grant (plus 'top-up' from unallocated Council Tax Hardship Fund).

Household Support Fund

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

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 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 table at paragraph

6.2 of the officer's report showed how these funds were allocated for the second round of Household Support Fund.

Lincolnshire was allocated £5.46m for the 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.

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 had 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 had been allocated to City of Lincoln and £42,078 to North Kesteven. Following decision-making protocols, officers were 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 were still to be announced. Officers were working on protocols in terms of decision-making for the wave of funding, which would be further progressed in due course once more information was released by central government.

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.

All Discretionary Fund payments had to be made by 30th November 2022. Further details of the operation of the discretionary schemes were outlined at paragraph 7 of the officer's report.

Energy Bill Support Scheme Alternative Funding (EBSS AF)

In October 2021, 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 were already receiving – as they did not have a domestic electricity contract. It would also support the delivery of £100 Domestic Alternative Fuel Payments where these could not be automatically delivered to households through other means, such as suppliers.

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. Most households eligible for the AFP support in Great Britain, would receive payment automatically via their electricity supplier in February, with no need to take any action. Those households who would need to apply for the AFP, for example because they did not have a relationship with an electricity supplier, would be able to do so in February, through the same GOV.UK portal as the one to be used to apply for support under the EBSS Alternative Funding scheme.

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 was now anticipated this scheme will go live in week-commencing 20th February 2023.

Council Tax Support Scheme

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 £222,803 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 was hoped that the awards would be made as part of the 2023/24 annual Council Tax billing processes. Remaining funding would then be considered for both local authorities, with recommendations made in the early part of 2023/24, in relation to local discretionary schemes.

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.

LFIP worked to develop, implement and, when available, gain funding for positive solutions to improve financial inclusion for all people within Lincolnshire. The FIP also provided a forum for sharing good practice and information.

A highly successful LFIP Conference was held on 21st February 2023 , with 120 attendees, some positive speakers and examples of fantastic Financial Wellbeing initiatives taking place in Lincolnshire.

This page is intentionally blank.

SHARED REVENUES AND BENEFITS JOINT COMMITTEE

27 JUNE 2023

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 an update on Revenues and Benefits performance, in respect of annual outturns for the financial year 2022/23.
- 2.2 The Revenues and Benefits Shared Service has now been in operation for twelve 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 then 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 23rd February 2023 meeting of this Committee, a report was presented detailing Revenues and Benefits performance up to the end of Quarter 3 2022/23.
- 3.2 Performance is reported to this Committee on a quarterly basis.

4. Revenues Performance

4.1 Council Tax

- 4.2 For the financial year 2022/23, in-year collection for Lincoln and North Kesteven is up by 0.15% and up by 0.03% respectively, compared to 2021/22.
- 4.3 The table below showing how performance has progressed since the shared service formed in June 2011.

Financial Year	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
City of Lincoln	94.15%	94.00%	94.78%	96.77%	96.76%	97.17%	97.09%	97.12%	96.93%	96.56%	96.32%	96.80%
North Kesteven	98.41%	98.38%	98.03%	98.89%	99.08%	99.20%	99.14%	99.16%	99.25%	99.16%	99.13%	99.40%

- 4.4 Net collectable debit for 2022/23 (compared to 2021/22) increased by £2,955,932 for Lincoln and £4,464,550 for North Kesteven.
- 4.5 Although performance has not yet returned to pre-pandemic levels of collection, to increase both in-year collection rates is a positive achievement in light of the significant impacts of the well-documented cost of living challenges locally and nationally.

4.6 Business Rates

- 4.7 For the financial year 2022/23 in-year collection for Lincoln is up 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 is not wholly comparable 'like for like' due to differing levels of discounts/reliefs available, - however all three collection outturns are positive – particularly in light of the economic climate and significant challenges for businesses over the last three years.
- 4.8 The table below showing how performance has progressed since the shared service formed in June 2011.

Financial Year	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
City of Lincoln	99.19%	98.45%	98.97%	98.89%	99.81%	98.87%	99.43%	99.78%	99.46%	99.31%	99.08%	99.20%
North Kesteven	99.34%	99.74%	97.21%	99.43%	99.42%	99.89%	99.09%	99.46%	99.78%	99.53%	99.93%	99.70%
West Lindsey	97.39%	96.75%	97.90%	98.88%	98.63%	98.53%	97.34%	99.44%	99.17%	99.12%	99.13%	98.90%

4.9 Outstanding Revenues Documents

- 4.10 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 is 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 are again currently vacant positions on this team – it is hoped these are recruited to as soon as possible to help curb the rising level of outstanding work in 2023/24 so far.
- 4.11 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.

4.12 Housing Benefit Overpayments

- 4.13 As at the end of the financial year 2022/23, in-year collection rates and outstanding monies are as shown in the table below:

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 debt	£2,458,831	£1,267,664

- 4.14 Performance in this area continues to be positive – outstanding debt continues to decrease and in-period collection is exceeding 100% for both partner Councils.

5. Benefits Performance

- 5.1 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 is 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 advice to customers around cost of living support. The number of Universal Credit (UC) documents requiring processing continues 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.
- 5.2 Despite the team's workload, due to efficient and proactive processes in place, Benefit claims were assessed on a timely basis – as shown in the table below.

Financial Year 2022/23	City of Lincoln	North Kesteven
New Claims – average time to process	15.85 days (2021/22 16.54 days)	19.18 days (2021/22 17.34 days)
Changes of Circumstance – average time to process	3.08 days (2021/22 3.55 days)	2.77 days (2021/22 2.80 days)

To give this some context, the latest national data available shows that in Quarter 3 2022/23 New Claims were processed in an average of 20 days by Councils, with Changes of Circumstance being processed in an average of 8 calendar days (although it should be noted for Changes of Circumstance the average normally decreases in Quarter 4, due to high volumes of '1-day' changes processed due to annual rent, pension changes, etc). This helps to reaffirm the positive nature of Lincoln and North Kesteven average processing times.

However, the slip in North Kesteven's average New Claims figure has been a concern throughout 2022/23. The table below shows how the cumulative figure performed at the end of each quarter:

2022/23 (cumulative each quarter)	Average days to process Housing Benefit New Claims – North Kesteven
Quarter 1	21.57
Quarter 2	20.55
Quarter 3	19.93
Quarter 4	19.18

The table shows a positive direction of travel throughout the year, - and it is important this trend continues into 2023/24. In Quarter 1 2022/23, outstanding work had risen meaning a number of new claims had taken longer on average than would have been usual to process – and due to the cumulative nature of this performance measure – it then becomes more difficult as the year progresses to reduce this average. Performance in this area will continue to be monitored and managed closely moving forward.

- 5.3 The importance in processing Benefits claims accurately remains of paramount importance, – i.e., ‘getting it right, first time.’ In 2022/23, City of Lincoln’s ‘right first time’ assessment of cases checked is 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 are in addition to those carried out through the checks required to be carried out under the requirements of the annual Housing Benefit Subsidy claims.

6. Welfare and Benefits Advice

- 6.1 The table below shows the vital monies that our Welfare Team has continued to assist customers to access during 2022/23 (comparing to 2021/22). The demographics and demands are 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 moves forward, officers will further develop the new ways of working to ensure customers can access the services of this team through a variety of different methods.

	City of Lincoln		North Kesteven	
	2022/23	2021/22	2022/23	2021/22
Advice provided enabling weekly value of additional benefits	£28,257	£22,752	£10,094	£9,839
Advice provided enabling lump sum award of additional benefits	£299,598	£299,193	£143,282	£128,069
No. of customers to whom help provided	7,637	6,848	1,571	1,234
No. money advice referrals	127	134	49	59

There are a number of key reasons why the levels of Welfare/Money advice in Lincoln is 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 is currently reviewing demands and processes for the Welfare Team.

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, Employment, Skills 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 7th September 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 for the Financial Year 2022/23
List of Background Papers:	None
Lead Officer:	Martin Walmsley, Assistant Director Shared Revenues and Benefits Martin.walmsley@lincoln.gov.uk

Revenues and Benefits Joint Committee 27th June 2023
Performance Update
Appendix 1: Performance Data Financial Year 2022/23

<u>Measure</u>	<u>2022/23 Annual Outturn</u>		<u>2021/22 Annual Outturn</u>	
	NK	COL	NK	COL
Local Authority				
Council Tax collection (cumulative)	98.41%	94.15%	98.38%	94.00%
NNDR collection (cumulative)	99.34%	99.19%	99.74%	98.45%
NNDR collection – WLDC (cumulative)	97.39%		96.75%	
No. Revenues customers awaiting change to be processed	298	637	976	2,046
Total Net Arrears for Council Tax prior years (i.e. not including current year)	£1,219,061	£4,328,881	£1,813,006	£2,197,469
Total Net Arrears for NNDR prior years (i.e. not including current year)	£119,791	£168,921	£47,360	£117,570
Housing Benefit overpayments collection in period	143.02%	114.59%	102.89%	167.76%
Outstanding Housing Benefit overpayments debt	£1,267,664	£2,458,831	£1,418,662	£2,661,801
Housing Benefit New Claims: Average number of days to process (cumulative)	19.18 days	15.85 days	17.34 days	16.54 days
Housing Benefits Changes of Circumstances: Average number of days to process (cumulative)	2.77 days	3.08 days	2.80 days	3.55 days
No. Benefits customers awaiting assessment (cumulative)	928	1,792	651	2,117
% Benefits claims checked financially correct (cumulative)	96.70%	95.26%	96%	97%

This page is intentionally blank.

SUBJECT: REVENUES AND BENEFITS - FINANCIAL OUTTURN 2022/23

REPORT BY: CHIEF EXECUTIVE & TOWN CLERK

LEAD OFFICER: MARTIN WALMSLEY, ASSISTANT DIRECTOR SHARED REVENUES AND BENEFITS

1. Purpose of Report

- 1.1 To provide Members with the financial outturn for the Revenues and Benefits shared service for 2022/23.

2. Executive Summary

- 2.1 The 2022/23 financial outturn for the Revenues and Benefits shared service resulted in an overspend of £119,915, a variance of 4.6% of the revised budget. This is prior to a recharge for pension strain costs totalling £21,935.38 to be split on a 50/50 basis as agreed between both authorities.

3. Background

- 3.1 The approved budget for 2022/23 was agreed by 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, the budget was increased to reflect further new burdens grants totalling £5,228, giving a revised budget of £2,544,170.
- 3.4 No further New Burdens were issued in quarter three.
- 3.5 At quarter four, the budget has been increased by a further £43,290, to reflect additional new burdens grants as detailed in paragraph 3.6.
- 3.6 The budget has been revised 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
New Burdens – Q4 Housing Benefit Review (HBR)	240	0	240
New Burdens – Q4 Business Rates	23,120	19,940	43,060
REVISED BUDGET	1,374,150	1,213,320	2,587,470

4. Financial Outturn 2022/23

- 4.1 Financial performance for the year 2022/23 is detailed in Appendix 1 to this report. At outturn, quarter 4, after the application of the above budget adjustments, there is an overspend against the approved budget of £119,915, a deterioration against the forecast overspend of £73,440 as at quarter 3.

The outturn position of £119,915 is prior to agreed recharges for pension strain costs totalling £21,935.38 as detailed in paragraph 2.1.

- 4.2 A summary of the main forecast year-end variations against the approved budget for 2022/23 is shown in the table in paragraph 4.5
- 4.3 The most significant variance against the approved budget 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.
- 4.4 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, a large proportion of which was charged in quarter four. 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. 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.

4.5 Main variances:

<u>Service Area</u>	<u>£</u>	<u>Reason for variance</u>
R&B Management		
Pay Award	11,710	Impact of pay award against budgeted assumptions.
Overtime	5,380	Additional hours as a result of oversight and management of increased workloads due to Covid-19 and other workstreams.
IT Costs	6,670	Increased cost of NEC Software from Jan-23 as a result of new contract.
Benefits		
Pay Award	36,750	Impact of pay award against budgeted assumptions.
Salary costs	(22,780)	Vacancy savings pending recruitment.
Overtime	37,230	Additional hours required as a result of vacancies and increased demand due to Covid-19 and increased workloads.
Postage Costs	(39,350)	Reduction in postage costs as a result of changes in distribution.
IT Costs	39,400	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	(37,150)	Vacancy savings pending recruitment.
Overtime	27,280	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	77,080	Additional costs as a result of increased requirements, offset by NB funding for the CT Energy Rebate administration (outside of the shared service budgets, see paragraph 4.5).
IT Costs	29,460	New Software requirements, offset by NB funding for the CT Energy Rebate administration (outside of the shared service budgets).
New Burdens	(48,060)	Additional grant funding to offset staffing cost pressures.
Benefits/Money Advice		
Pay Award	17,160	Impact of pay award against budgeted assumptions.
Staffing Costs	(9,470)	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 financial outturn for the Revenues and Benefits shared service for 2022/23.

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?	One
List of Background Papers:	None
Lead Officer:	Martin Walmsley, Assistant Director, Shared Revenues and Benefits Martin.walmsley@lincoln.gov.uk

Appendix 1 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	200,032	200,032	400,064	12,732	12,732	25,464
Benefits	643,710	469,730	1,113,440	657,678	479,923	1,137,601	13,968	10,193	24,161
Revenues Local Taxation	423,690	436,850	860,540	451,664	470,099	921,763	27,974	33,249	61,223
Money Advice	119,450	119,440	238,890	123,984	123,974	247,958	4,534	4,534	9,068
Total 2022/23	1,374,150	1,213,320	2,587,470	1,433,358	1,274,027	2,707,385	59,208	60,707	119,915
50% Pension Strain Costs							10,968	10,968	21,935
Grand total							70,176	71,675	141,851

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 Shared Revenues and Benefits Joint Committee with an update on current issues within non-domestic rate.

2. Executive Summary

- 2.1 This report provides Shared Revenues and Benefits 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. 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 Shared Revenues and Benefits Joint Committee has been a continuing response to Covid-19 measures, which have been announced since 11 March 2020.

4. Expanded Retail Discount

- 4.1 At the Budget on 27 October 2021, the Chancellor announced that the Government would provide a package of business rates measures to support businesses in England.

For 2022/23 the Chancellor set out:

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

properties. Hospitality and leisure properties will continue to remain in scope, and the Rateable Value continues to be uncapped.

4.2 Eligibility criteria 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. This can be found here:

- [Business Rates Information Letter 9/2021 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1002222/business-rates-information-letter-9-2021.pdf)
- [Business rates guidance: 2022/23 Retail, Hospitality and Leisure Relief Scheme - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/business-rates-guidance-2022-23-retail-hospitality-and-leisure-relief-scheme)

4.3 Properties that will benefit from the relief will be occupied hereditaments that are wholly or mainly being used:

- as shops, restaurants, cafes, drinking establishments, cinemas and live music venues;
- for assembly and leisure; or
- as hotels, guest & boarding premises and self-catering accommodation.

4.4 DLUHC guidance provided further detailed lists of properties which fell into the above categories but made it clear that the list is not intended to be exhaustive. The list was intended to be a guide for Local Authorities (LA's) as to the types of uses that the Government considers for the purpose to be eligible for relief. LA's were required to determine for themselves whether particular properties not listed are broadly similar in nature to those above, and if so, to consider them eligible for the relief.

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

4.6 In terms of Expanded Retail Discount (ERD), the figures below reflect the significant reduction in the amounts awarded in the last three years with an estimate on the award to be granted in 2023/24.

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	£2,840,236	£1,691,974	£1,032,508	50%
2023/24 Estimated on NDR1	£3,906,616	£2,383,359	£1,486,748	75%
2023/24 End Apr 2023	£4,056,415	£2,516,678	1,398,322	75%

Capping applies to all years with exception of 2020/21

4.7 For the year 2023/24 the Chancellor has set out the following –

- 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.

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 2022, 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 March 2023 , are shown below;

	City of Lincoln	North Kesteven	West Lindsey
Amount of CARF	£852,032	£1,567,214	£1,364,615.37
No. of Accounts	89	142	228

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 GPCR 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. The reductions in rateable value for the Court buildings were received in December 2021 and are reduced as shown below. There have been no further reductions since December 2021. Any further

appeals would be against the 2023 NDR list.

Affected numbers within the shared service, are as below:

Local Authority	No. hereditaments	Charge for 2021/22	Charge for 2022/23	Charge for 2023/24
City of Lincoln	Combined (x2)	£325,120 £61,952	£271,360 £57,344	£302,080 £71,168
North Kesteven	0			
West Lindsey	0			

Rateable Value was 635,000 now 530,000 from 1.4.2017
(590,000 from 1.4.2023)

Rateable Value was 121,000 now 112,000 from 21.11.2017
(139,000 from 1.4.2023)

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 decision has been applied to other museums and we have seen the effects of this decision in our rating lists.

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 -

For 2023

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 March 2023 , the Rateable values are as shown below

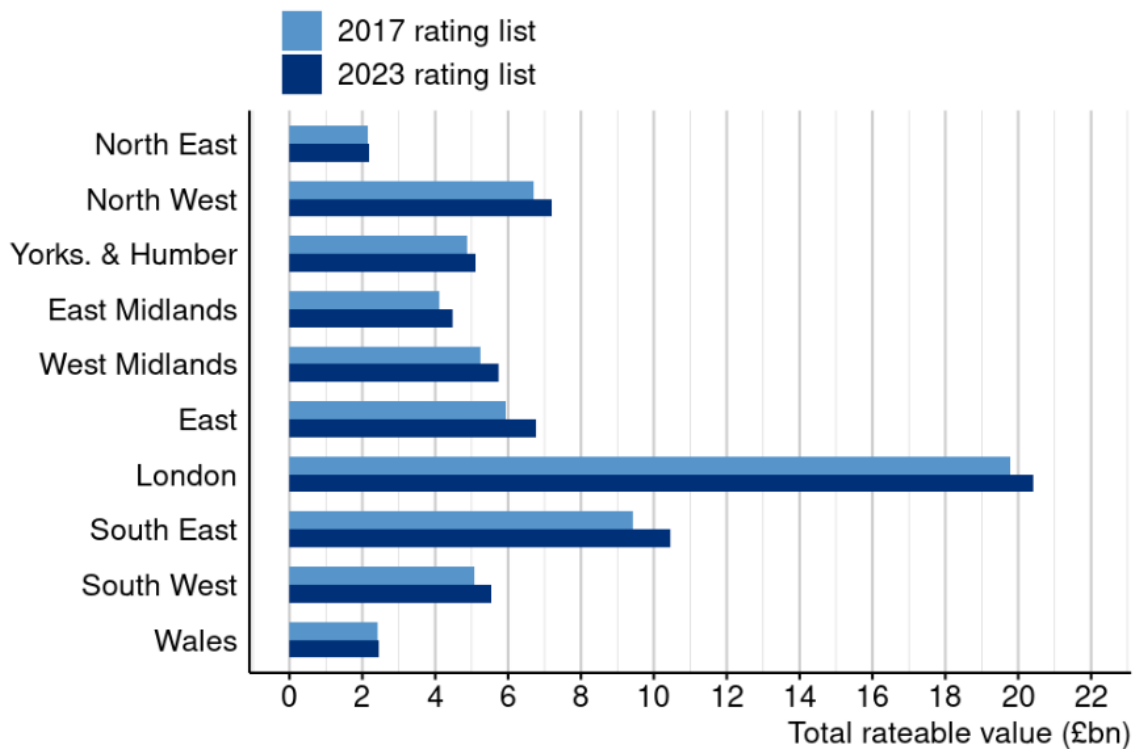
Total RV	City of Lincoln	North Kesteven	West Lindsey
2017 list – RV	111,657,102	76,676,924	49,669,995
Hereditaments	3589	3458	3051
2023 draft list – RV	109,146,624	84,565,162	53,638,108
Hereditaments	3589	3457	3051
		Reduction is due to one assessment entering the Central Listings	
Changes to RV from 2017 to 2023	-2,510,478 -2.25%	7,888,238 10.3%	3,968,113 8.0%

7.5 The following tables are taken from [Non-domestic rating: Reval 2023 draft list statistical commentary and background information - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/108444/Non-domestic_rating_Reval_2023_draft_list_statistical_commentary_and_background_information_-_GOV.UK.pdf)

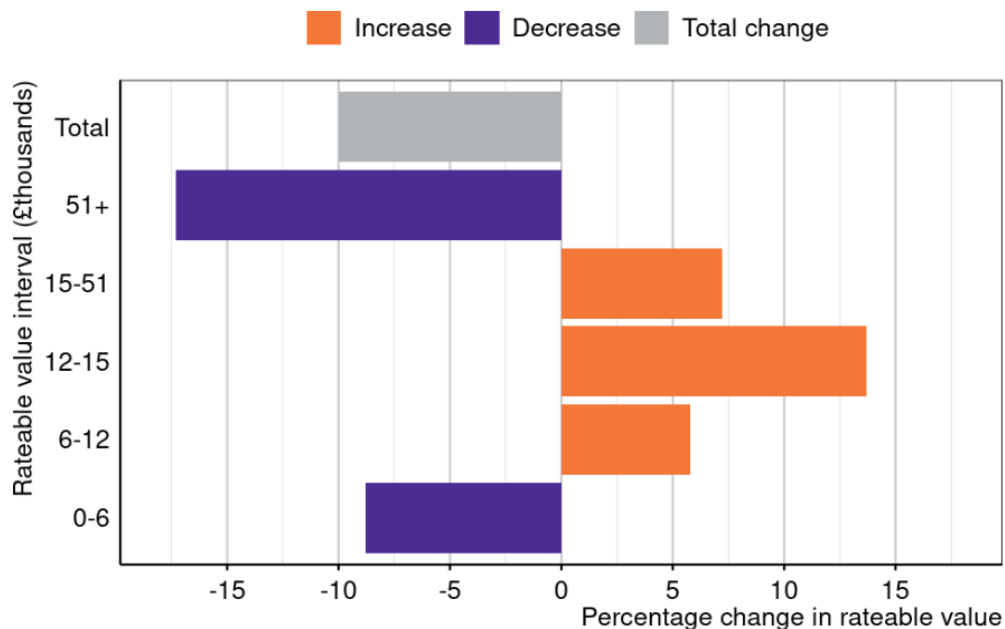
The headline figures nationally can be found on the Valuation Office website – as shown below (England only)

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.



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

Local Authorities will be compensated in full for the costs of the new business rates reliefs announced as part of the March 2020 and March 2021 Budgets and in response to Covid-19.

Each local authority has to make a provision for appeals against the Rateable Value of the NDR list for the following 12 months when completing their NNDR1 forecast in January of each year. Historically, we have had a number of different factors which must be taken into consideration when attempting to provide for appeals – including estimates for reductions to the rateable value of Museums, RAF Stations, Fire Stations, hospitals, GP Surgeries and ATMs (as reported to this Committee previously) . There are other factors that can also affect the Rateable Value of a Hereditament such as the smoking ban a number of years ago which resulted in an approximate 6% reduction of all public houses nationally. The local authority must calculate a provision for appeals calculation for the NNDR1 at the beginning of the year and the NNDR3 at the end of the year including the impact this might have on the level of surplus or deficit to be declared. There will also be an ongoing loss of NNDR which was accounted for during the preparation of future NNDR1 forecasts.

9.2 Legal Implications including Procurement Rules

No direct financial implications arising from this report.

9.3 Equality, Diversity & Human Rights

The equality implications have been considered within this report. In bringing forward any change to the existing criteria for awarding discretionary relief, consideration will be given as to whether a full Equality Impact Assessment is required.

10. Risk Implications

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

11. Recommendation

- 11.1 Members are requested to note this report.

Is this a key decision?	No
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	None
List of Background Papers:	None
Lead Officer:	Emma-Jane Brodrick, Recovery and NNDR/BID Team Leader, Emma-Jane.Brodrick@lincoln.gov.uk

SHARED REVENUES AND BENEFITS JOINT COMMITTEE**27 JUNE 2023**

SUBJECT: COST OF LIVING SUPPORT

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

LEAD OFFICER: REBECCA COX, WELFARE REFORM AND PROJECT LEAD

1. Purpose of Report

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

2. Executive Summary

- 2.1 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.

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.

The Covid-19 pandemic and now the rising cost of living, has caused major challenges to households locally and nationally. The Revenues and Benefits Shared Service plays 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 are directly delivered by this Service, - some in partnership with other teams within the Councils, also with organisations such as those in the voluntary sector.

4. Universal Credit (UC)

- 4.1 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 are also available:

- City of Lincoln – 11,305 (10,938 as at the last report).
- North Kesteven – 6,644 (6,474 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 \(www.gov.uk\)](#). 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.*

DWP has now released information to state those in receipt of Tax Credits will be asked to apply for UC by the end of 2024 ([Tax credits are ending - Understanding Universal Credit](#)). DWP has also announced, through the Autumn Statement 2022, that the managed migration of Employment and Support Allowance (ESA) cases has been delayed to 2028/29.

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 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).
- 5.2 The table below breaks down the number of DHP applications received and determined in Quarter 4 2022/23.

DHP applications – Quarter 4 2022/23	City of Lincoln	North Kesteven
Total number awarded	327 (Quarter 4 2021/22 = 594)	262 (Quarter 4 2021/22 = 343)
No. awarded for Housing Benefit	105 (Quarter 4 2021/22 = 293)	77 (Quarter 4 2021/22 = 160)
No. awarded for Universal Credit	222 (Quarter 4 2021/22 = 301)	185 (Quarter 4 2021/22 = 183)
Average DHP award	£429.99 (Quarter 4 2021/22 = £329.05)	£351.42 (Quarter 4 2021/22 = £394.34)

5.3 The table below shows DHP spend for 2022/23 up to the end of Quarter 4.

	Central Government - DHP Grant 2022/23	Local Authority Top up 2022/23	Total DHP Grant 2022/23	DHP net spend as at 31st March 2023	DHP committed as at 31st March 2023	DHP total spend as at 31st March 2023	% Grant spent + additional LA top-up
City of Lincoln	£132,330	£8,426	£140,756	£140,608	£0	£140,608	99.89%
North Kesteven	£86,931	£5,596	£92,527	£92,072	£0	£92,072	99.51%

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.

On 23rd February 2023, DWP announced DHP government grants for 2023/24. For City of Lincoln and North Kesteven, these are exactly the same amounts as for 2022/23, and the announcement also stated that the national DHP allocation for 2024/25 will be the same as for 2023/24 – so individual local authorities may well receive the same figures for 2024/25 – although this will be confirmed later this year. The table below included the confirmed 2023/24 allocations, also showing previous years' grants.

	City of Lincoln Council central government DHP grant	North Kesteven central government DHP grant
2023/24	£132,330	£86,931
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 2022/23, focus was more towards shorter-term assistance through DHP, with availability and provision of appropriate debt/benefits advice and tenancy/housing options support for residents.

As is usual, in advance of the new financial year a review of DHP internal guidance has been carried out – with two key changes implemented for 2023/24:

- Certain disability-related incomes previously disregarded when assessing DHP applications, to not be disregarded;
- Awards to those in private sector rented properties to be increased, to help reflect the challenges of frozen Local Housing Allowance rates.

The impacts of these changes will be closely monitored, and updates provided to this Joint Committee as appropriate.

6. Household Support Fund

- 6.1 Previous reports to this Committee updated on Household Support schemes going back as far as October 2021. This report updates on final spend for the third wave of Household Support Fund, also updating on the current position in respect of Household Support Fund 4.

6.2 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 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 was allocated to City of Lincoln residents, £209,112 to North Kesteven residents.

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

City of Lincoln

Category	Food	
Number of families without children	609	
Number of families with children	590	
Households on H.B only	623	
Total Amount of Award	£301,250	Total Paid £301,250

North Kesteven

Category	Food/Energy	
Number of families without children	453	
Number of families with children	563	
Households on H.B only	616	
Total Amount of Award	£246,190	Total Paid £246,190

6.3 Household Support Fund Wave 4 (HSF4):

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 was issued to local authorities on 20th February 2023, and allocations for this round of funding. For Lincolnshire, Household Support Fund 2023/24 funding is £10,929,370 – to cover the whole financial year.

Lincolnshire County Council is continuing to work in partnership with district councils to identify and agree the most appropriate methods for distributing this funding. At this stage, with national and local decision-making requirements, it is not anticipated this scheme will be fully live until July/August 2023.

7. Energy Bill Support Scheme Alternative Funding (EBSS AF) / Alternative Fuel Payment (AFP)

- 7.1 In October 2022, 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.
- 7.2 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, received this payment automatically via their electricity supplier in February, with no need to take any action. Those households who need to apply for the AFP, for example because they do not have a relationship with an electricity supplier, have been able to do

so since March 2023, through the same GOV.UK portal as the one that will be used to apply for support under the EBSS Alternative Funding scheme.

Online applications opened in February 2023 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 – are being 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 need to submit a short online form via the government's GOV.UK pages. A dedicated customer helpline is available to assist customers who do not have online access. 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 are then shared with local authorities, who deliver the one-off, non-repayable support this winter.

As at the time of writing this report, the following payments have been made. A communications/promotion exercise is also underway, to try and ensure as many as possible of those eligible for these support schemes, receive them.

City of Lincoln

Energy Scheme	Applications Approved	Total Paid
Energy Bills Support Scheme – Alternative Fund	109	£43,600
Alternative Fuel Payment – Alternative Fund	12	£2,400

North Kesteven

Energy Scheme	Applications Approved	Total Paid
Energy Bills Support Scheme – Alternative Fund	340	£136,000
Alternative Fuel Payment – Alternative Fund	296	£59,200

8. 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 £222,303 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 will be considered for local schemes in 2023/24. These figures are £101,705 for City of Lincoln, and £38,628 for North Kesteven.

9. Financial Inclusion

- 9.1 Financial inclusion continues to be a key objective and factor in many areas of LiNK's work. The Lincolnshire Financial Inclusion Partnership (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. LFIP also provides a forum for sharing good practice and information.

In terms of scope of activity, LFIP 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.

A highly successful LFIP Conference relating to Cost of Living matters was held in Boston, on 21st February 2023, with 120 attendees and a high number of confirmed connections and positive outcomes resulting directly from this conference.

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

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

10. Strategic Priorities

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

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

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

11. Organisational Impacts

11.1 Finance

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

11.2 Legal Implications inc Procurement Rules

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

12. Risk Implications

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

13. Recommendation

13.1 That Shared Revenues and Benefits Joint Committee note 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

This page is intentionally blank.