

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

Apologies for Absence: None.

8. Confirmation of Minutes - 27 June 2023

RESOLVED that the minutes of the meeting held on 27 June 2023 be confirmed.

9. Declarations of Interest

No declarations of interest were received.

10. Performance Update

Purpose of Report

To provide the Shared Revenues and Benefits Joint Committee with an update on performance in the Revenues and Benefits Shared Service.

Decision

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

Alternative Options Considered and Rejected

None.

Reason for Decision

The report provided an update on Revenues and Benefits performance in respect of Quarter 1 for the financial year 2023/24.

The Revenues and Benefits Shared Service had now been in operation for twelve years since 1 June 2011, and performance had largely been maintained and improved whilst continuing to provide value for money. Continual improvement and success was being achieved in both statistical and financial performance, as well as positive outcomes for customers of the partner local authorities. However, the Covid-19 global pandemic and then cost of living challenges had understandably impacted on some areas of performance and these impacts were likely to continue for many more months.

In respect of Council Tax, up to the end of Quarter 1 2023/24, in-year collection for Lincoln was up by 0.31% and North Kesteven was down slightly by 0.05% respectively, compared to June 2022. At the end of August 2023, City of Lincoln figures were up by 0.02% and North Kesteven down by 0.66%. At this early stage in the financial year, neither rate was a cause for concern.

In terms of the national context, latest figures for annual Council Tax in-year collection outturns 2022/23 saw City of Lincoln Council at 240th (2021/22- 266th)

and North Kesteven 9th (2021/22- 28th) out of 309 local authorities whose performance was reported. Out of the seven Lincolnshire Districts, for 2022/23 City of Lincoln and North Kesteven achieved 6th and 1st highest collections, respectively.

Council Tax Support caseloads had recently been falling following a sharp rise during Covid-19, however, with ongoing cost of living pressures on residents there was potential this fall in caseloads may not continue.

In respect of Business Rates, up to the end of Quarter 1 2023/24 compared to the same point in 2022/23, in-year collection was down for Lincoln by 0.99%, North Kesteven down by 2.95% and West Lindsey down by 0.22%. There were no major concerns with in-year collection at this early stage of the year. For North Kesteven, a substantial amount of unallocated payments that had been made had now been identified, and these payments would be included as part of Quarter 2's collection. It should also be noted that collection had been 'skewed' somewhat in recent financial years due to varying criteria/awards of the Expanded Retail Discount (ERD).

In terms of the national context, the latest available figures for annual Business Rates in-year collection outturns 2022/23 saw City of Lincoln Council's in-year collection at 22nd (2021/22 48th), North Kesteven 14th (2021/22 1st) and West Lindsey 162nd (2021/22 170th) out of 309 local authorities whose performance was reported. Out of the seven Lincolnshire Districts, for 2022/23, City of Lincoln, North Kesteven and West Lindsey achieved 2nd, 1st and 4th highest collections, respectively.

The number of outstanding Revenues Customers at the end of Quarter 1 2023/24 was 797 (split Lincoln 609, North Kesteven 188) – this compared to 2,323 (split Lincoln 1,838, North Kesteven 485) at Quarter 1 2022/23. This improvement was pleasing, achieved through improved processes and recruitment to vacant roles within the team.

As at the end of Quarter 1 2023/24, in period collection of Housing Benefit overpayments stood at for City of Lincoln 116.93%, and North Kesteven 108.29%.

Outstanding Housing Benefit overpayments debt also continued to decrease overall. As at the end of Quarter 1 2023/24: at £2,419,812 for City of Lincoln and £1,257,132 for North Kesteven.

As at the end of Quarter 1 2023/24, there were 3,682 Benefits customers outstanding and awaiting assessment (split Lincoln 2,622, North Kesteven 1,060). This figure was very close to same as at the same point last year, Quarter 1 2022/23 (3,654 Benefits customers outstanding and awaiting assessment (split Lincoln 2,544, North Kesteven 1,110)). Considering the significant ongoing demands on this team, as well as a number of unforeseen staffing absences, to keep the outstanding workload at this level was a real achievement. However, officers were aware the outstanding workload needed to reduce moving forward and would be targeting this aim in the remaining quarters of 2023/24.

Despite the significant demands on the Benefits Team, officers continued to turn around claims and reported changes of circumstance promptly, and accurately.

The latest national data available showed that in Quarter 4 2023/24 New Claims were processed in an average of 20 days by Councils, with Changes of Circumstance being processed in an average of 3 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). Also, these national figures were for a specific quarter only (i.e., Quarter 4 2022/23) and not cumulative over the financial year – which was how officers reported these areas of performance for our shared service.

As at the end of August 2023, in terms of processing times for new benefit claims, City of Lincoln took an average of 17.04 days and North Kesteven 18.80 days respectively.

As at today, in terms of benefits performance, City of Lincoln had 1,600 items outstanding and North Kesteven 643 outstanding respectively.

In terms of the claims checked that were 'correct, first time' (with even £0.01p 'out' being classified as an incorrect assessment), at the end of Quarter 1 2023/24:

- City of Lincoln: 87.85% (405 out of 461 checked),
- North Kesteven: 96.80% (212 out of 219 checked).

The reduction in City of Lincoln performance in this area could be explained by the team having carried out over 200 more checks during the quarter than in the same quarter last year – Of the 461 checks undertaken in the first quarter the team had made 405 'first-time correct' decisions. Compared to last year, the team had only carried out 263 checks at the end of the first quarter. Also, due to less experienced officers being part of the team, 100% of claims were being checked, which could also mean more (small) errors being identified – and then corrected. The Subsidy Team had carried out considerably more checks through our Final Subsidy claim, which had also resulted in errors being reported.

The table at paragraph 6.1 of the officer's report showed the invaluable support provided by the Welfare Team to the residents of Lincoln and North Kesteven in Quarter 1 2023/24.

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

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

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

Members offered their thanks to all members of staff in recognition of the performance achievements within the Revenues and Benefits Shared Service.

11. Revenues and Benefits-Financial Monitoring Quarter 1 2023/24

Purpose of Report

To provide the Shared Revenues and Benefits Joint Committee with the first quarter's (ending 30 June 2023) performance for the Revenues and Benefits Shared Service for 2023/24, as detailed at Appendix 1 to the report.

Decision

That the actual position at Quarter 1 as detailed within the report be noted.

Alternation Options Considered and Rejected

None.

Reason for Decision

The forecast overturn for 2023/24 predicted there would be an underspend against the approved budget of £94,240.

The approved budget for 2023/24 was agreed by the Shared Revenues and Benefits Joint Committee on 7 September 2023, which set a budget of £2,878,930 for the service.

At Quarter 1 the budget was increased to reflect New Burdens grants totalling £61,950, giving a revised budget of £2,940,890.

Financial performance for the first quarter of 2023/24 as detailed at Appendix 1 of the officer's report resulted in an underspend against the approved budget of £17,251.

The forecast outturn for 2023/24 predicted that there would be an underspend against the approved budget of £94,240, as detailed at Appendix 2 of the officer's report. The current forecast underspend would be affected by a number of other assumptions as detailed in paragraphs 4.4 and 4.6 of the officers report which would impact on the final outturn position.

The main forecast year-end variations against the approved budget for 2023/24 were noted within the table at paragraph 4.3 of the officer's report.

A Job Evaluation Panel held on 11 July 2023 had evaluated and approved the Benefits Appeal Officer role at Grade 6 (previously Grade 5), which was not yet reflected in the forecast outturn position, to be updated at Quarter 2. The impact of this job evaluation in the sum of £1,485,88 would be split at City of Lincoln Council: £861.81 and North Kesteven: £624,07.

Each Council had received a new burdens grant from Central Government to administer the Energy Support Scheme to the value of £14,950 for City of Lincoln Council and £21,790 for North Kesteven. By agreement these grants sat outside of the shared service budget.

The current MTFS assumptions reflected a pay award of 3% in 2023/24. However, given the latest nationally proposed pay award was again well in excess of this an estimate of the impact had been calculated at £110,610, split between each authority for City of Lincoln at £58,370 and North Kesteven £52,240. This offer was not yet accepted by the Unions, therefore this pressure was not reflected in the current forecast outturn position and would need to be

reflected separately by each authority until an agreement was reached and the pay award implemented.

12. Business Rates Update

Purpose of Report

To provide the Shared Revenues and Benefits Joint Committee with an update on current issues within non-domestic rates, related to City of Lincoln Council, North Kesteven District Council and West Lindsey District Council. The report was not intended to include non-domestic rate performance matters, as this was covered within the Performance Update reported to Joint Committee today.

Decision

That the content of the report be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

The report included some of the changes announced as a result of Covid-19 and the support provided to businesses in the form of relief. The report also focused on the financial impact of recent appeals and reductions to rateable values.

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

The following updates were noted:

NDR Changes and Significant Reliefs/Discounts

At the Autumn Statement on 17 November 2022, the Chancellor of the Exchequer announced a continued Government package of business rate measures to support businesses in England:

- Retail, hospitality and leisure relief would increase from 50% to 75% up to £110,000 per business
- A freezing of the multipliers at 49.9p (small business multiplier) and 51.2p (standard multiplier)
- For the Supporting Small Business Scheme increases would be capped 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.
- At the beginning of the new Rating List, the transitional scheme for 2023 phased in large increases in liability for Non-Domestic Rates, however,

unlike previous years, there was no phasing of decreases resulting in those customers feeling the benefit of any reduction in their rateable value immediately.

Retail, Hospitality and Leisure Relief 2023-24

Eligibility criteria for the Retail, Hospitality and Leisure Relief was set out by the Department for Levelling Up, Housing and Communities (DLUHC) and issued to Local Authorities on 20 December 2021, with no changes to the qualifying criteria for the year 2023/24. The table at paragraph 5.5 of the officer's report reflected the significant reduction in the amounts awarded in the last three years (previously known as the Expanded Retail Discount (ERD) scheme), with an estimate on the award to be granted in 2023//24.

Potential reductions to rateable values were contained within paragraph 6, which included fire stations, hospitals, museums and hotels occupied by asylum seekers.

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 came into force on 1st April 2023, the next being 1st April 2026 and so on.
- The process of revaluation started 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.

Heat Network Rate Relief Scheme

The Government had published the guidance for Local Authorities on the operation of the Heat Network Rate Relief Scheme for 2023/24, substantially unchanged from 2022/23. Local Authorities were to continue to deliver the discretionary relief using their discretionary powers for 2023-24 until the relief was made mandatory through the Non-Domestic Rating Bill. The relief was targeted at hereditaments used wholly or mainly as heat networks with its own rating assessment, to provide relief for those networks generating from a low carbon source to ensure the policy supported decarbonisation.

Business Rates Avoidance and Evasion Consultation

In the Spring budget on 15 March 2023, the Chancellor announced that the government would consult on measures to tackle business rates and avoidance.

A consultation paper was provided in July 2023 with a target date of 27 September 2023 for responses.

The topics that formed part of the consultation were:

1. Measures to reform rates on unoccupied properties
2. Wider business rates avoidance and evasion
3. 'Rogue' agents

The Shared Service partners would be responding to this consultation.

13. Cost of Living Support

Purpose of Report

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

Decision

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

Alternative Options Considered and Rejected

None.

Reason for Decision

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

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

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

Universal Credit

The latest national figures published by the Department for Work and Pensions (DWP) were released on 15th August 2023, with statistics relevant to the period up to June 2023:

- 5,965,178 households receiving UC (this was an increase from 5,836,354 as reported at the last meeting of this Committee).

Local authority statistics:

- City of Lincoln – 11,343 (11,305 as at the last report).
- North Kesteven – 6,789 (6,644 as at the last report).

Discretionary Housing Payments (DHP)

In June 2023, a letter was issued to City of Lincoln Council and North Kesteven District Council setting out commencement of Tax Credit cases managed migration to Universal Credit starting September 2023. Officers understood all Lincolnshire, Nottinghamshire and Rutland local authorities received the same letter, as had all areas of the country. Officers were working closely with the Department for Work and Pensions locally and nationally to fully understand the impacts moving forward.

City of Lincoln's DHP initial government grant for 2023/24 was £132,330 and North Kesteven's £86,931.

Overall DHP funding for 2022/23 was reduced nationally from £140m to £100m. Consequently, grants for City of Lincoln and North Kesteven were also reduced by more than 29% each.

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

As is usual, in advance of the new financial year a review of DHP internal guidance had 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 were being closely monitored.

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, with allocations for this round of funding. For Lincolnshire, Household Support Fund 2023/24 funding was £10,929,370 – to cover the whole financial year.

In Quarter 1 2023/24, Lincolnshire County Council confirmed plans in respect of Household Support Fund Wave 4 2023/24 with main details contained at paragraph 6.1 of the officer's report.

In terms of District Councils' separate allocations of HSF4 to be utilised to work with partners to provide payments, including through an application-based process in part (a requirement of the national HSF4 guidance), these had now been communicated to District Councils' HSF4 lead officers, - for City of Lincoln £202,676 had been allocated, and for North Kesteven £139,340.

Officers were in discussions with an established range of referral partners and application processes – as well as potentially some new partners/routes – to ensure these HSF4 monies (through vouchers, food parcels, energy top-ups, etc.) were delivered to those identified as in need. A key focus would again be on reducing foodbank dependency wherever possible, working with partners to help signpost residents to other means of support (e.g., money advice), - as well as supporting a drive to further increase usage of community groceries. A strategic aim of HSF4, was also to try and leave a 'legacy' of impact – as there was no guarantee of HSF5 (or of another form of local welfare provision) from 2024/25 onwards.

Energy Bill Support Scheme Alternative Funding/Alternative Fuel Payment

In October 2022, Central Government announced that the EBSS AF scheme was intended to provide the £400 of support for households across the UK that would otherwise miss out on the Energy Bills Support Scheme – which the vast majority of households were already receiving – as they did not have a domestic electricity contract.

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

The government also provided 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 last winter.

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

Council Tax Support Scheme 2023/24

On 23rd December 2022, Central Government provided guidance to local authorities regarding a £100 million Council Tax Support Fund for 2023/24, whereby awards of up to £25 were to be made to Council Taxpayers in receipt of Council Tax Support, - with an element of funding also to be made for discretionary local funds in 2023/24. Funding allocations for City of Lincoln and North Kesteven were £222,303 and £142,500, respectively.

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

The remaining funding was to be allocated in a detailed breakdown explained at paragraph 8 of the officer's report

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.

Week commencing 6 November 2023, the Money and Pension Service 'Talk Money Week' would be launched. A series of events would be held across the County, including a visit to Lincoln by the Executive of the Money and Pension Service. Further 'pop up's' to get information across would be held once the position of City of Lincoln Coordinator was in post.

A conference would be held in February 2024, details 'to follow'.