



SHARED REVENUES AND BENEFITS JOINT COMMITTEE

Thursday, 7 September 2023

2.00 pm

Committee Room, North
Kesteven District Council
Offices

Membership:	Councillors Sue Burke (City of Lincoln Council), 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.

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Please note that, in accordance with the Members' Code of Conduct, when declaring interests members must disclose the existence and nature of the interest, and whether it is a disclosable pecuniary interest (DPI) or personal and/or pecuniary.	
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Details of Next Meeting: Thursday, 23 November 2023 (2.00 pm) in Committee Rooms 1-2, City Hall

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

Apologies for Absence: Councillor Ric Metcalfe

1. Appointment of Chair

RESOLVED that

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

2. Confirmation of Minutes - 23 February 2023

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

3. Declarations of Interest

No declarations of interest were received.

4. Performance Update

Purpose of Report

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

Decision

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

Alternative Options Considered and Rejected

None.

Reason for Decision

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

The Revenues and Benefits Shared Service had now been in operation for twelve years since 1 June 2011, and performance had largely been maintained and improved whilst continuing to provide value for money. Continual improvement and success was being achieved in both statistical and financial performance, as well as positive outcomes for customers of the partner local authorities. However,

the Covid-19 global pandemic and then cost of living challenges had understandably impacted on some areas of performance and these impacts were likely to continue for many more months.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5. Revenues and Benefits - Financial Outturn 2022/23

Purpose of Report

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

Decision

That the financial outturn for the Revenues and Benefits shared service for 2022/23 be noted.

Alternation Options Considered and Rejected

None.

Reason for Decision

The approved budget for 2022/23 was agreed by the Shared Revenues and Benefits Joint Committee on 8 February 2022 which set a budget of £2,516,830 for the service.

At Quarter 1 the budget was increased to reflect New Burdens grants totalling £22,115, giving a revised budget of £2,538,950. At Quarter 2 it was further increased to reflect additional New Burdens grants totalling £5,228 giving a revised budget of £2,544,170. Again at Quarter 4, the budget was increased by a further £43,290 to reflect additional New Burdens grants giving a revised budget of £2,587,470.

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

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

The most significant variance against the approved budget was the impact of the pay award, paid in December 2022, which was significantly higher than the budgeted pay award of 1.75% assumed within the base budget. The total impact across the shared service being £87,100.

The other key driver of the forecast overspend, within the Revenues Local Taxation team, was due to additional postage and IT costs as a result of administering the Council Tax Energy Rebate payments, a large proportion of

which was charged in quarter four. Each Council received a grant to compensate them for this, along with other administration costs associated with these payments, however these grants sat outside of the shared service budget. Further new burdens grants were received in March bringing the total grants received from Central Government to; City of Lincoln £166,419 and North Kesteven £175,183. These additional grants should be taken into consideration when assessing the forecast overspend

6. Business Rates Update

Purpose of Report

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

Decision

That the content of the report be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

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

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

The following updates were noted:

Expanded Retail Discount

At the budget on 27 October 2021 the Chancellor of the Exchequer announced a Government package of business rate measures to support businesses in England.

For 2022/23 the Chancellor set out:

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

- The scope of the discount for 2022/23 would return to pre-Covid-19 eligibility retail properties. Hospitality and leisure properties would continue to remain in scope, and the Rateable Value continued to be uncapped.

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

In terms of Expanded Retail Discount (ERD), the table at paragraph 4.6 of the officer's report reflected the significant reduction in the amounts awarded in the last three years, with an estimate on the award to be granted in 2023//24.

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

The final report for a Business Rates Review was also published at the Budget. The Budget and the Review committed in the longer term to improvements to the Business Rates system – which included;

- More frequent revaluations, moving to a revaluation every three years starting from the next revaluation which would come into force on 1st April 2023, the next being 1st April 2026 and so on.
- The process of revaluation would start approximately 2 years before the new valuations come into force. For the revaluation due on 1st April 2023, the rateable value would be assessed based on the rental evidence on 1st April 2021. There would be a new duty on the ratepayer to provide the Valuation Office with the information

For each revaluation, the Government introduced a Transitional Relief scheme. Transitional relief limited how much a bill could change each year. As the Ndr system was self-financing, historically these limits had limited both large increases and large decreases. In the Budget, the government announced a change to the Transitional relief scheme so that only increases were limited. For any reduction in the rateable value, a ratepayer would receive the full benefit of the reduction immediately.

A new relief would be provided to support investments in property improvements, 2023-2028 in the first instance. It was expected that this would include 12 month exemption on an increase in the rateable value where a property was improved. However, the final detail of this was not known at this time.

There was a new exemption for eligible low carbon heat networks that were listed as separate properties on the rating list, to be available from 2023 to 2025. The final detail of this was not known at this time.

7. Cost of Living Support

Purpose of Report

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

Decision

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

Alternative Options Considered and Rejected

None.

Reason for Decision

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

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

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

Universal Credit

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

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

Local authority statistics:

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

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

Discretionary Housing Payments (DHP)

City of Lincoln's DHP initial government grant for 2022/23 was £129,643 and North Kesteven's £85,166. The mid-year additional DHP grant announcement increased both amounts marginally, by £2,687 and £1,765 respectively – so 2022/23 DHP grants increased to £132,330 (Lincoln) and £86,931 (North Kesteven). In addition to this, relatively small amount of un-allocated Council Tax Hardship Fund monies were added to supplement the 2023/23 DHP government grants – City of Lincoln £8,426.13 (bringing the total 2022/23 DHP 'budget' to £140,756.13), North Kesteven £5,595.94 (bringing the total 2022/23 DHP 'budget' to £92,526.94).

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

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

Household Support Fund Wave 3 (HSF3)

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

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

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

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

Household Support Fund Wave 4 (HSF4)

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

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

Energy Bill Support Scheme Alternative Funding/Alternative Fuel Payment

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

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

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

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

Council Tax Support Scheme 2023/24

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

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

Financial Inclusion

Financial inclusion continued to be a key objective and factor in many areas of LiNK's work. The Lincolnshire Financial Inclusion Partnership (LFIP) was currently chaired by the Assistant Director Shared Revenues and Benefits for North Kesteven District Council and City of Lincoln Council, - which brought together organisations and partners to promote and raise the profile of financial inclusion across the county. LFIP aimed to ensure that everyone had the capability and opportunity to access appropriate financial services and products needed to participate fully in society.

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 Quarter 1 2023/24.
- 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 27 June 2023 meeting of this Committee, a report was presented detailing Revenues and Benefits performance year outturns for the financial year 2022/23.
- 3.2 Performance is reported to this Committee on a quarterly basis.

4. Revenues Performance

4.1 Council Tax

- 4.2 Up to the end of Quarter 1 2023/24, in-year collection for Lincoln is up by 0.31% and North Kesteven down slightly – by 0.05%. At this early stage in the financial year, neither rate is cause for concern.

Description		June 2023	Compared to June 2022
Council Tax Collection	City of Lincoln	26.30%	Up by 0.31%
Council Tax Collection	North Kesteven	28.97%	Down by 0.05%
Council Tax Net liability	City of Lincoln	£54,347,659	Up by £2,760,473
Council Tax Net Liability	North Kesteven	£80,902,017	Up by £4,659,456

In terms of the national context, the latest available figures are for annual Council Tax in-year collection outturns 2022/23. City of Lincoln Council's in-year collection was 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.

- 4.3 The table below demonstrates the trend in Council Tax Support (CTS) caseloads. It can be seen that caseloads rose sharply in 2020 as an outcome of the impact of Covid-19 on the economy and residents' incomes. The caseload then plateaued somewhat and has been falling, - however, with the ongoing cost of living pressures on residents there is the potential that these reductions in caseloads may not continue.

	City of Lincoln	North Kesteven
June 2023	8,458	5,419
June 2022	8,518	5,443
June 2021	8,940	5,701
June 2020	8,991	5,834
June 2019	8,235	5,570

4.4 Business Rates

- 4.5 Up to the end of Quarter 1 2023/24, compared to the same point in 2022/23 in-year collection is the three local authorities, are as follows:

- Lincoln down by 0.99%;
- North Kesteven down by 2.95%;
- West Lindsey down by 0.22%.

There are 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 have now been identified, and these payments will be included as part of Quarter 2's collection.

It should also be noted that collection has been 'skewed' somewhat in recent financial years due to varying criteria/awards of the Expanded Retail Discount (ERD).

Description		June 2023	Compared to June 2022
Business Rates collection	City of Lincoln	35.61%	Down by 0.99%
Business Rates collection	North Kesteven	38.31%	Down by 2.95%
Business Rates collection	West Lindsey	32.04%	Down by 0.22%
Business Rates Net Liability	Lincoln	£38,653,169	Down by £3,935,602
Business Rates Net Liability	North Kesteven	£30,752,411	Up by £1,275,907
Business Rates Net Liability	West Lindsey	£17,950,453	Down by £306,126

- 4.6 In terms of the national context, the latest available figures are for annual Business Rates in-year collection outturns 2022/23. City of Lincoln Council's in-year collection was 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.
- 4.7 **Outstanding Revenues Documents**
- 4.8 The number of outstanding Revenues Customers at the end of Quarter 1 2023/24 is 797 (split Lincoln 609, North Kesteven 188) – this compares to 2,323 (split Lincoln 1,838, North Kesteven 485) at Quarter 1 2022/23. This improvement is pleasing, achieved through improved processes and recruitment to vacant roles within the team.
- 4.9 **Housing Benefit Overpayments**
- 4.10 As at the end of Quarter 1 2023/24, in period collection of Housing Benefit overpayments stands at:
- City of Lincoln: 116.93%,
North Kesteven: 108.29%.
- 4.11 Outstanding Housing Benefit overpayments debt also continues to decrease overall. As at the end of Quarter 1 2023/24:
- City of Lincoln: £2,419,812,
 - North Kesteven: £1,257,137.

5. Benefits Performance

- 5.1 As at the end of Quarter 1 2023/24, there are 3,682 Benefits customers outstanding and awaiting assessment (split Lincoln 2,622, North Kesteven 1,060). This figure is very close to same as at the same point last year, Quarter 1 2022/023 (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 has been a real achievement. However, officers are aware the outstanding workload needs to reduce moving forward and will be targeting this aim in the remaining quarters of 2023/24.

There continues to be a significant demand on the Benefits Team, particularly in relation to (but not exclusively) Universal Credit -related information impacting on Housing Benefit and Council Tax Support claims. At the same time, Benefits Officers are also working on other schemes, such as Discretionary Housing Payments, and Household Support Fund.

- 5.2 Despite the significant demands on the Benefits Team, officers continue to turn around claims and reported changes of circumstance promptly, and accurately. As at the end of Quarter 1 2023/24:

End Quarter 1 2022/23	City of Lincoln	North Kesteven
Housing Benefit New Claims	16.55 days <i>(End Quarter 1 2021/22 17.77 days)</i>	19.64 days <i>(End Quarter 1 2021/22 21.57 days)</i>
Housing Benefit Changes of Circumstance	5.97 days <i>(End Quarter 1 2021/22 6.49 days)</i>	3.86 days <i>(End Quarter 1 2021/22 4.37 days)</i>

Direction of travel for all four average positions as above is positive, however it is recognised that New Claims performance for North Kesteven needs to further improve going forward.

To give this position some context, the latest national data available shows 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 are for a specific quarter only (i.e., Quarter 4 2022/23) and not cumulative over the financial year – which is how officers report these areas of performance for our shared service.

5.3 In terms of the claims checked that were 'correct, first time' (with even £0.01p 'out' being classified as an incorrect assessment), at the end of Quarter 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 the can 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 has 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 are being checked, which can also mean more (small) errors being identified – and then corrected.

The Subsidy Team have carried out considerably more checks through our Final Subsidy claim, which has also resulted in errors being reported.

6. Welfare and Benefits Advice

6.1 Providing benefits and money advice continues to be key, with a team of dedicated and knowledgeable officers providing invaluable support to residents of Lincoln and North Kesteven. In Quarter 1 2023/24, the team has achieved the following:

Quarter 1 2023/24	City of Lincoln	North Kesteven
Advice provided enabling weekly value of additional benefits	£7,929	£4,608
Advice provided enabling lump sum award of additional benefits	£86,662	£62,877
No. of customers to whom help provided	1,477	493
No. money advice referrals	29	14

6.2 Outcomes and demands have generally increased throughout the team, for both partner local authorities. 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 compared to North Kesteven.

6.3 A small working group of officers from both partner Councils is continuing to review 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 23rd November 2023.

Is this a key decision? No

Do the exempt information categories apply? No

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

How many appendices does the report contain? Appendix 1: Performance Data to end Quarter 1 2023/24

List of Background Papers: None

Lead Officer: Martin Walmsley, Assistant Director Shared Revenues and Benefits
E mail: martin.walmsley@lincoln.gov.uk

Shared Revenues and Benefits Joint Committee 7th September 2023
Performance Update
Appendix 1: Performance Data to end Quarter 1 2023/24

<u>Measure</u>	<u>Quarter 1 2023/24</u>		<u>Quarter 1 2022/23</u>	
Local Authority	NK	COL	NK	COL
Council Tax collection (cumulative)	28.97%	26.30%	29.02%	25.99%
NNDR collection (cumulative)	38.31%	35.61%	41.16%	36.60%
NNDR collection – WLDC (cumulative)	32.04%		32.26	
No. Revenues customers awaiting change to be processed	188	609	485	1,838
Total Net Arrears for Council Tax prior years (i.e. not including current year)	£3,188,604	£7,625,612	£2,962,978	£6,749,315
Total Net Arrears for NNDR prior years (i.e. not including current year)	£46,922	£188,298	£241,147	£188,195
Housing Benefit overpayments collection in period	108.29%	116.93%	141.71%	126.84%
Outstanding Housing Benefit overpayments debt	£1,257,137	£2,419,812	£1,357,357	£2,604,637
Housing Benefit New Claims: Average number of days to process (cumulative)	19.64 days	16.55 days	21.57 days	17.77 days
Housing Benefits Changes of Circumstances: Average number of days to process (cumulative)	3.86 days	5.97 days	4.37 days	6.49 days
No. Benefits customers awaiting assessment (cumulative)	1,060	2,622	1,110	2,544
% Benefits claims checked financially correct (cumulative)	96.80%	87.85%	94.09%	94.32%

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**SUBJECT: REVENUES AND BENEFITS - FINANCIAL MONITORING
QUARTER 1 2023/24**

REPORT BY: CHIEF EXECUTIVE & TOWN CLERK

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

1. Purpose of Report

- 1.1 To present to Members the first quarter's (ending 30th June 2023) performance for the Revenues and Benefits shared service for 2023/24.

2. Executive Summary

- 2.1 The forecast outturn for 2023/24 predicts that there will be an underspend against the approved budget of £94,240.

3. Background

- 3.1 The approved budget for 2023/24 was agreed by Shared Revenues and Benefits Joint Committee on 7th September 2023. The Committee set a budget for 2023/24 of £2,878,930 for the service.
- 3.2 At quarter one, the budget was increased to reflect New Burdens grants totalling £61,950, detailed as follows:-

	CoLC	NK	Total
	£	£	£
Original Budget	1,524,940	1,353,990	2,878,930
DWP - NEC ICT Costs-HB Stock cases (YE Acc)	8,220	5,190	13,410
DWP - LA-PED IT Costs (IP Address Online Supplier & IP Address IT Supplier)	1,500	1,500	3,000
DWP - Single Housing Benefit Extract Automation (SHBE API)	10,100	10,090	20,190
DWP - Housing Benefit Review (HBR)	240	0	240
DLUCH - Local Council Tax Support Scheme	14,050	11,060	25,110
REVISED BUDGET	1,559,060	1,381,830	2,940,890

4. Quarter One Financial Performance and Forecast Outturn 2023/24

4.1 Performance Quarter 1

Financial performance for the first quarter of 2023/24 is detailed in Appendix 1 to this report. At quarter 1, there is an underspend against the approved budget of £17,251.

4.2 Forecast Outturn 2023/24

The forecast outturn for 2023/24 predicts that there will be an underspend against the approved budget of £94,240. Further detail is attached within Appendix 2 of this report. Please note that although this is the current forecast underspend, there are a number of other assumptions as per paragraphs 4.4 and 4.6 of this report that will impact on the final outturn position.

- 4.3 A summary of the main forecast year-end variations against the approved budget for 2023/24 is shown in the table below:

<u>Service Area</u>	<u>£</u>	<u>Reason for variance</u>
Benefits		
Salary costs	(36,190)	Vacancy savings expected for first 6 months pending recruitment.
IT Costs	38,990	New Software requirements, partially funded through New Burdens funding.
New Burdens	(36,600)	Additional grant funding to offset new IT cost pressures.
Revenues Local Taxation		
Staffing Costs	(40,970)	Vacancy savings expected for first 6 months pending recruitment.
IT Costs	26,620	New Software requirements, partially offset by NB funding for the Local Council Tax Support Scheme.
New Burdens	(25,110)	Additional grant funding for administration of the Local Council Tax Support Scheme.
Benefits/Money Advice		
Staffing Costs	(18,360)	Vacancy savings expected for first 6 months pending recruitment.

- 4.4 A job evaluation panel held on 11th July 2023 has evaluated, and approved, the Benefits Appeal Officer role at grade S6 (previously S5). This is not yet reflected in

the current forecast outturn position but will be updated as at quarter 2. The impact of this job evaluation totals £1,485.88, which will be split as follows: City of Lincoln £861.81 and North Kesteven £624.07.

- 4.5 Each Council has received a new burdens grant from Central Government to administer the Energy Support Scheme, for which City of Lincoln received £14,950 and North Kesteven received £21,790, by agreement these grants sit outside of the shared service budget.
- 4.6 The current MTFs assumptions reflect a pay award of 3% in 2023/24, however given the latest nationally proposed pay award is, again, well in excess of this an estimate of the impact has been calculated at £110,610, split between each authority as follows: City of Lincoln £58,370 and North Kesteven £52,240. As this offer is yet to be accepted by the Unions, this pressure is not yet reflected in the current forecast outturn position, and will need to be reflected separately by each authority until an agreement is reached and the pay award implemented.

5. Organisational Impacts

- 5.1 The financial implications are contained throughout the report.
- 5.2 There are no legal implications arising from this report.
- 5.3 There are no equality and diversity implications as a direct result of this report.

6. Risk Implications

- 6.1 A full financial risk assessment is included in the Council's Medium Financial Strategy.

7. Recommendations

- 7.1 Members are recommended to note the actual position at quarter 1.

Key Decision No

Do the Exempt Information Categories Apply? No

Call in and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply? No

How many appendices does the report contain? Two

List of Background Papers: None

Lead Officer: Martin Walmsley
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Appendix 1 - Actual Position as at Quarter 1 2023/24

	Profiled Budget			Actual YTD			Variance YTD		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits									
Management	56,180	56,180	112,365	77,319	77,319	154,637	21,139	21,139	42,277
Benefits	194,400	141,390	335,793	170,870	123,734	294,604	(23,530)	(17,656)	(41,186)
Revenues Local Taxation	115,970	120,710	236,680	112,054	116,628	228,682	(3,916)	(4,082)	(7,998)
Money Advice	33,830	33,830	67,668	28,658	28,658	57,315	(5,172)	(5,172)	(10,345)
Total 2023/24	400,380	352,110	752,505	388,901	346,338	735,239	(11,479)	(5,772)	(17,251)
Grand total							(11,479)	(5,772)	(17,251)

Appendix 2 Forecast Financial Outturn for 2023/24

	Annual Budget			Forecast Outturn			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits Management	225,020	225,020	450,040	224,375	224,375	448,750	(645)	(645)	(1,290)
Benefits	709,930	516,340	1,226,270	689,083	501,177	1,190,260	(20,847)	(15,163)	(36,010)
Revenues Local Taxation	488,210	504,580	992,790	466,652	485,699	952,350	(21,559)	(18,882)	(40,440)
Money Advice	135,900	135,900	271,790	127,650	127,640	255,290	(8,250)	(8,250)	(16,500)
Total 2023/24	1,559,060	1,381,830	2,940,890	1,507,759	1,338,891	2,846,650	(51,301)	(42,939)	(94,240)
Grand total							(51,301)	(42,939)	(94,240)

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SUBJECT: BUSINESS RATES UPDATE

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

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

1. Purpose of Report

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

2. Executive Summary

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

3. Background

- 3.1 The report includes some of the changes that have been 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 Joint Committee has been a continuing response to Covid-19 measures, which have been announced since 11 March 2020.

4. NDR Charges and Significant Reliefs/Discounts

- 4.1 At the Autumn Statement on 17 November 2022, the Chancellor announced that the Government would continue to provide a package of business rates measures to support businesses in England.
- 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)
 - 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.

- 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 details of the transitional relief scheme and upward 'capping' were provided shortly after the Autumn Statement and can be seen below.

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

5. Retail, Hospitality and Leisure Relief 2023-24

5.1 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. No changes were made to the qualifying criteria for the year 2023/24. 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)

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

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

5.3 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.

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

5.5 In terms of Retail, Hospitality and Leisure Relief (previously known through the Expanded Retail Discount (ERD) scheme), 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.

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 June 2023	£4,203,401	£2,539,203	£1,414,113	75%

Capping applies to all years with exception of 2020/21

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 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.

Museums

- 6.5 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.

6.6 Hotels Occupied by Asylum Seekers

Under Section 66(1) of the Local Government Finance Act 1988, a property is domestic if it is used for living accommodation with the only exception being in Section 66(2) which says a property is not domestic if it is being used in the course of a business providing short-stay accommodation to individuals whose sole or main residence is somewhere else.

Where a hotel is used to as accommodation for refugees/asylum seekers, the occupants do not have a sole or main residence elsewhere. Therefore, the hotel should be brought into the Council Tax listings with the maximum charge being a Band H property.

The Valuation Office have recently removed a hotel from the Non Domestic Rating list and brought this into the Council Tax listings as a Band H Council Tax dwelling.(not in our districts) The result of this is a loss of Non Domestic Rating income to the authority which is not offset by the amount of a Council Tax paid for a Band H dwelling.

The Valuation Office are making changes to properties that they know about, but as the Home Office will likely to have a register of the properties being used to house refugees/asylum seekers, this may increase the number of hotels that are removed from Non Domestic Rating listings.

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.

Rateable values at 31st March 2023 are 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%

7.3 Heat Network Rate Relief Scheme

As set out in the business rates information letter the government has published the guidance for Local Authorities on the operation of the Heat Networks relief scheme for 2023/24. The scheme is substantially unchanged from the guidance published for 2022/23. Local Authorities are to continue to deliver the discretionary relief using their discretionary powers for 2023-24 until the relief is made mandatory through the Non Domestic Rating Bill.

This relief is targeted at hereditaments being used wholly or mainly as heat networks and has its own rating assessment. The relief is for those networks generating from a low carbon source to ensure that the policy supports decarbonisation.

Heat networks take heat or cooling from a central source(s) and deliver it to a variety of different customers such as public buildings, shops, offices, hospitals, universities and homes. By supplying multiple buildings, they avoid the need for individual boilers or electric heaters in every building. Heat networks have the potential to reduce bills, support local regeneration and be a cost-effective way of reducing carbon emissions from heating.

For these purposes, a heat network is a facility, such as a district heating scheme, which supplies thermal energy from a central source to consumers via a network of pipes for the purposes of space heating, space cooling or domestic hot water. Hereditaments wholly or mainly providing heat for a different purpose (such as an industrial process) are not eligible. The government will keep under review the incidence of heat networks in any industrial process context and whether they should benefit from the relief.

The test should be applied to the hereditament as a whole and heat network relief is not available on part of a hereditament. Many small and medium scale heat networks, such as common heating systems in multi-occupied buildings or estates, do not give rise to a separate business rates bill. In these cases, the heat network forms part of the services of the properties which have a wider purpose (e.g., offices) and therefore would not be eligible for Heat Network Relief.

8. 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 avoidance and evasion.

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

The Ministerial Foreword of this consultation states -

The vast majority of those who engage with the business rates system do so honestly and transparently. Ratepayers pay the taxes that are due and enjoy the benefits of the reliefs and exemptions to which they are entitled. Rating agents assist their clients competently and adhere to a high professional standard when dealing with billing authorities and the Valuation Office Agency (VOA).

But there is also a small minority who seek to exploit the business rates system, either through false reporting, or through contrived means which circumvent the spirit and intention of the law. The former is evasion, the latter, avoidance. These practices unfairly shift the burden of business rates onto the honest majority, and result in loss of revenue which should be used for vital public services.

The topics that form part of the consultation are –

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

The Shared Service partners will be responding to this consultation.

9. Strategic Priorities

- 9.1 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.

10. Organisational Impacts

10.1 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.

Local Authorities are compensated for the Retail, Hospitality and Leisure Relief as part of the Autumn Statement 2022.

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.

10.2 Legal Implications including Procurement Rules

There are no legal nor procurement implications as a direct result of this report.

10.3 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.

11. Risk Implications

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

12. Recommendation

12.1 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
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SHARED REVENUES AND BENEFITS JOINT COMMITTEE

7 SEPTEMBER 2023

SUBJECT: COST OF LIVING SUPPORT

DIRECTORATE: CHIEF EXECUTIVE

LEAD OFFICER: REBECCA COX, WELFARE REFORM AND PROJECT LEAD

1. Purpose of Report

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

2. Executive Summary

- 2.1 This report provides Joint Committee with an update with regard to the national and local position of welfare reform/ other initiatives, with a specific focus on Universal Credit, Discretionary Housing Payments, Household Support Fund, Energy Bill Support Schemes and 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 significant challenges to households locally and nationally. The Revenues and Benefits Shared Service plays a lead and key role in developing and 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 15th August 2023, with statistics relevant to the period up to June 2023:
- 5,965,178 households receiving UC (this is an increase from 5,836,354 as reported at the last meeting of this Committee).

Local authority statistics are also available:

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

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 understand all Lincolnshire, Nottinghamshire and Rutland local authorities received the same letter, and that all areas of the country have now received similar letters for their respective areas. Officers are working closely with the Department for Work and Pensions locally and nationally, to fully understand impacts moving forward.

5. Discretionary Housing Payments (DHP)

- 5.1 City of Lincoln’s DHP government grant for 2023/24 is £132,330 and North Kesteven’s £86,931.

- 5.2 The table below breaks down the number of DHP applications received and determined in Quarter 1 2023/24.

DHP applications – Quarter 1 2023/24	City of Lincoln	North Kesteven
Total number awarded	104 (Quarter 1 2022/23 = 123)	53 (Quarter 1 2022/23 = 92)
No. awarded for Housing Benefit	30 (Quarter 1 2022/23 = 56)	12 (Quarter 1 2022/23 = 37)
No. awarded for Universal Credit	74 (Quarter 1 2022/23 = 67)	41 (Quarter 1 2022/23 = 55)
Average DHP award	£622.14 (Quarter 1 2022/23 = £430.64)	£783.94 (Quarter 1 2022/23 = £412.85)

The average award for both City of Lincoln and North Kesteven have increased for 2023/24 compared to 2022/23 due to more applications being turned down this financial year because of officers now including Personal Independence Allowance, Disability Living Allowance and Attendance Allowance into consideration, meaning more customers have income that exceeds their outgoings. This is allowing officers to award larger DHP payments to those customers living in the private sector where rents have significantly increased, whilst the Local Housing Allowance figures have remained the same.

- 5.3 The table below shows DHP spend for 2023/24 up to the end of Quarter 1.

	Central Government - DHP Grant 2023/24	DHP net spend as at 30th June 2023	DHP committed as at 30th June 2023	DHP total spend as at 30th June 2023	% Grant spent
City of Lincoln	£132,330	£14,683	£38,286	£52,969	40.02%
North Kesteven	£86,931	£11,329	£26,653	£37,982	43.70%

- 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 includes 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 are being closely monitored.

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 the current position in relation to Household Support Fund wave 4.

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.

In Quarter 1 2023/24, Lincolnshire County Council confirmed plans in respect of Household Support Fund wave 4 2023/24 (HSF4), and updated its HSF website page ([Household Support Fund – Lincolnshire County Council](#)), including the following:

- *Approximately 43% of the funding will be delegated to schools and early years providers to support for children eligible for benefit-related free school meals, early years pupil premium and families with a 2-year-old eligible for early years entitlement.*
- *Approximately 44% will be directed through Lincolnshire's district councils to provide financial support to housing benefit only claimants not in receipt of other support provided via the national scheme.*
- *1% of the grant funding will be used to provide financial support to eligible care leavers in supported living accommodation.*
- *The remaining grant funding will be directed towards other vulnerable households via local schemes, with approximately 11% of the local grant made available to district councils on a proportionate basis. District councils and other third sector/voluntary organisations will work to provide an application-based process to ensure this funding is distributed through local channels in line with the grant conditions. Further details on this process will be published on district council websites once agreed.*

For Housing Benefit recipients in Lincolnshire who were not entitled to the national Cost of Living Payment 2023/24 ([Cost of Living Payments 2023 to 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/cost-of-living-payment-2023-24)), the intention is that this payment will be replicated in three phases, the first payment (£301) potentially being made in August/(possibly into September) 2023. These are to be issued through Post Office vouchers.

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 have been communicated to District Councils' HSF4 lead officers, - for City of Lincoln £202,676 has been allocated, and for North Kesteven £139,340.

Officers are 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) are delivered to those identified as in need. A key focus will 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, is also to try and leave a 'legacy' of impact – as there is no guarantee of HSF5 (or of another form of local welfare provision) from 2024/25 onwards.

In terms of an 'open application' scheme, officers will continue to work other District Council colleagues to try and ensure a consistent approach wherever possible, but with reference to City of Lincoln and North Kesteven specific requirements and available funding too. It is envisaged that the best way to ensure HSF4 monies last throughout 2023/24, will be to open up the scheme in a number of phases.

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 intended to provide the £400 of support for households across the UK that would otherwise

have missed out on the Energy Bills Support Scheme – which the vast majority of households received – as they do 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, will receive a £400 discount on their fuel bills through EBSS AF.

- 7.2 Central government also provided 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 over last winter. Most households eligible for the AFP support in Great Britain, received the 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, were able to do so between March 2023 and May 2023, through the same GOV.UK portal as the one used to apply for support under the EBSS Alternative Funding scheme.

Online applications opened between February 2023 and May 2023 for households in England, Scotland and Wales who were eligible for the £400 EBSS AF to submit their details, alongside a helpline for those without online access. Payments to households that met 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, with a deadline for final payments to be made by the 18th August 2023. Those eligible included:

- 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 eligible for the EBSS AF were required to submit a short online form via the government's GOV.UK pages. A dedicated customer helpline was available to assist customers who did 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 had applied to receive support and their applications were processed and verified, eligible customers' details were then shared with local authorities, who delivered the one-off, non-repayable support.

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

City of Lincoln

Energy Scheme	Applications Approved	Total Paid
Energy Bills Support Scheme – Alternative Fund	253	£101,200
Alternative Fuel Payment – Alternative Fund	13	£2,600

North Kesteven

Energy Scheme	Applications Approved	Total Paid
Energy Bills Support Scheme – Alternative Fund	409	£163,600
Alternative Fuel Payment – Alternative Fund	437	£87,400

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 (CTS), - 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.

The remaining funding is to be allocated as follows:

- **New CTS cases (Lincoln and North Kesteven):**

- Where a taxpayer has become (or becomes during the financial year) in receipt of CTS since annual billing in 2023/24, they are to be awarded up to £50 which will be credited to their Council Tax account. The award cannot be higher than their outstanding 2023/24 Council Tax charge (following the

award of CTS). If a taxpayer has already received an award under the prescribed scheme (e.g., they were on CTS at annual billing 2023, their CTS awarded ended – but then they became eligible for a new CTS award during 2023/24) – they will not be able to receive an award under this Discretionary scheme.

- **Discretionary Awards (Lincoln and North Kesteven):**

- Outstanding funding (once the new CTS cases have been identified and profiled for the remainder of 2023/24) will be retained as a 'discretionary pot' for taxpayers who have been identified by a member of LiNK (although referrals can come through other Council teams – for example, Housing, Customer Services), up to £50 may be awarded to an account – but only if they have not received an award previously under either the prescribed or discretionary scheme.

- **Review of Discretionary Scheme (Lincoln):**

-

Spend and impacts of the scheme will be monitored by the Revenues and Benefits Management Team (RBMT) on a monthly basis, and where amendments to the scheme need to be considered – or it is deemed a specific cohort needs to be targeted under this scheme – recommendation/s will be made through the Assistant Director Shared Revenues and Benefits, for consideration/approval by the Chief Finance Officer.

- **Review of Discretionary Scheme (North Kesteven):**

Spend and impacts of the scheme will be monitored by the Revenues and Benefits Management Team (RBMT) on a monthly basis, and where amendments to the scheme need to be considered – or it is deemed a specific cohort needs to be targeted under this scheme – recommendation/s will be made through the Assistant Director Shared Revenues and Benefits, for consideration/approval by the Director of Resources.

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.

Financial Inclusion

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.

Two key areas of high-profile engagement by LFIP in 2023/24, will be:

- Co-ordination of 'Talk Money Week' activities in Lincolnshire during the week-commencing 6th November 2023: [Talk Money Week | 6–10 Nov 2023 | The Money and Pensions Service \(maps.org.uk\)](#) ;
- A conference to be held on 20th February 2024 (venue TBC), to follow-up from the highly successful conference held at the Jakemans Community Stadium in Boston, in February 2023.

9.2 In terms of the well-documented national cost of living pressures, both our partner Councils continue to review and update 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".

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.

10.2 Organisational Impacts

10.3 **Finance:** There are no direct financial implications arising as a result of this report.

10.4 **Legal implications inc Procurement Rules:** There are no direct Legal or Procurement implications arising from this report.

11. Risk Implications

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

12. Recommendation

12.1 Joint Committee notes this report, also that a further update will be presented at the next meeting of this Committee.

Key Decision	No
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Do the Exempt Information Categories Apply	No
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Call In and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No
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Does the report contain Appendices?	No
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If Yes, how many Appendices?	None
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List of Background Papers:	No
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