

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

Apologies for Absence: Councillor Sally Tarry

14. Confirmation of Minutes - 7 September 2023

RESOLVED that the minutes of the meeting held on 7 September 2023 be confirmed.

15. Declarations of Interest

No declarations of interest were received.

16. Revenues and Benefits Shared Service Business Plan 2024/25

Purpose of Report

As set out in the Shared Revenues and Benefits Business Case Delegation and Joint Committee Agreement, an annual Business Plan was due to be presented to this committee by the end of November in advance of each year for consideration.

It was requested that the Business Plan report be moved to the Shared Revenues and Benefits Committee due to be held on 22 February 2024 to allow time to consider the announcements made by the Chancellor of the Exchequer in his Autumn Statement, and also that the wording section 30 of the Shared Revenues and Benefits Business Case Delegation and Joint Committee Agreement be amended to state:

- Prepare and submit to the Joint Committee for its approval on or before 1st March in each year an annual business plan, annual budget and annual delivery plan for the next Financial Year.

Decision

That the Revenues and Benefits Shared Service Business Plan 2024/25 be considered by Shared Revenues and Benefits Committee at the meeting due to be held on 22 February 2024 and that section 30 of the Shared Revenues and Benefits Business Case Delegation and Joint Committee Agreement be amended to:

- Prepare and submit to the Joint Committee for its approval on or before 1st March in each year an annual business plan, annual budget and annual delivery plan for the next Financial Year.

Alternative Options Considered and Rejected

None.

Reason for Decision

The Shared Revenues and Benefits Shared Service Business Plan must be considered by committee by 1st March 2024. By moving the report to February 2024 it would allow more time to consider the announcements made in the Autumn Statement, and also in each financial year moving forward.

17. 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 22 February 2024.

Alternative Options Considered and Rejected

None.

Reason for Decision

The report provided an update on Revenues and Benefits performance in respect of Quarter 2 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 2 2023/24, in-year collection for Lincoln were down by 1.70% and North Kesteven was down by 1.08% respectively compared to the end of Quarter 2 2022/23. At the end of October 2023, there had been little change for both Lincoln and North Kesteven.

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 2 2023/24 compared to the same point in 2022/23, in-year collection was down for Lincoln by 3.43%, North Kesteven down by 6.48% and West Lindsey down by 8.30%. Therefore, in-year collection for Quarter 2 2022/23 was effectively 'inflated'. It was expected that the level of shortfall in 2023/24 in-year collection rate would reduce over quarter 3 and then into Quarter 4. 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).

The number of outstanding Revenues Customers at the end of Quarter 2 2023/24 was 797 (split Lincoln 402, North Kesteven 362) – this continued the positive

direction of travel and position, achieved through improved processes and recruitment to vacant roles within the team.

As at the end of Quarter 2 2023/24, in period collection of Housing Benefit overpayments stood at for City of Lincoln 108.72%, and North Kesteven 97.02%.

Outstanding Housing Benefit overpayments debt also continued to decrease overall. As at the end of Quarter 2 2023/24: at £2,402,885 for City of Lincoln and £1,258,896 for North Kesteven. Although North Kesteven had fallen below 100%, and outstanding debt had risen (but only by £1,759) – there were no concerns as collection remained high.

As at the end of Quarter 2 2023/24, there were 1,696 Benefits customers outstanding and awaiting assessment (split Lincoln 1,156, North Kesteven 540). This figure compared favourably to the same point last year, Quarter 2 2022/23 (total 2,285 outstanding) and was a significant reduction from Quarter 1 2023/24 (3,682 items outstanding). This was an extremely positive achievement considering the significant ongoing demands on this team, although regular overtime had been in place due to gaps in staffing resources (which was being addressed) as well as to help address additional demands on the service due to cost of living pressures.

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 1 2023/24 New Claims were processed in an average of 22 days by Councils, with Changes of Circumstance being processed in an average of 8 calendar days. Although, these national figures were for a specific quarter only (i.e., Quarter 1 2023/24) 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 Quarter 2, in terms of processing times for new benefit claims, City of Lincoln took an average of 16.61 days and North Kesteven 18.58 days respectively. As at November, the team is working on incoming items within 9-10 days, which was the best position achieved for sometime.

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: 89.87% (639 out of 711 checked),
- North Kesteven: 97.77% (395 out of 404 checked).

City of Lincoln's reduced level of performance in quarter 1 was due to 200 more checks during the quarter than in the same quarter last year, including due to less experienced officers being part of the team. 100% of claims being checked, which could mean more (small) errors being identified- and the corrected. Performance had improved by more than 2% from end of Quarter 1 to Quarter 2, demonstrating a positive direction of travel. As at today, the current claimed checked were 91.35% for Lincoln and 98.05% for North Kesteven respectively.

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 2 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) compared to North Kesteven)

Demands and processes for the Welfare Team continued to reviewed on an ongoing basis.

18. Revenues and Benefits - Financial Monitoring Quarter 2 2023/24

Purpose of Report

To provide the Shared Revenues and Benefits Joint Committee with the second quarter's (ending 30 September 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 2 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 £112,170, however after accounting for the newly confirmed 2023/24 pay award, due to be paid in December , there was a minor overspend of £310.

The approved budget for 2023/24 was agreed by the Shared Revenues and Benefits Joint Committee on 23 February 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, there were no further changes as at Quarter 2.

Financial performance for the second quarter of 2023/24 as detailed at Appendix 1 of the officer's report resulted in an underspend against the approved budget of £112,760.

The forecast outturn for 2023/24 predicted that there would be an underspend against the approved budget of £112,170 a deterioration of £17,930 from Quarter one. This, however, excluded the impact of the recently agreed national pay award which was, again, well in excess of the MTFS assumption of 3%. The impact of this had been calculated at £112,480, split between each authority as follows: City of Lincoln £56,470 and North Kesteven £56,010. The pay award was expected to be implemented in December 2023, and backdated to April 2023 and would therefore be fully reflected within the Quarter 3 report.

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). This was now reflected in the current forecast outturn position. The impact of this job evaluation totalled £1,485.88, which had been split as follows: City of Lincoln £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.

19. Business Rates Update

Purpose of Report

To provide the Shared Revenues and Benefits Joint Committee with an update on current issues within non-domestic rates, related to City of Lincoln Council, North Kesteven District Council and West Lindsey District Council. 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 the Governments financial support provided to businesses in the form of business rates relief. The report also focused on the financial impact of recent appeals and reductions to rateable values.

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.
- The details of the transitional relief scheme and upward 'capping' were provided shortly after the autumn statement and were detailed in the table at 4.1 of the report.

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.

Non Domestic Rating Bill – Royal Assent 26 October 2023

This bill would make a number of changes to Non Domestic Rating .

One of the changes removed the 6 month backdating rule for discretionary rate relief decisions in England.

The Act created section 47(6A) which would say that a decision, by a billing authority in England, with regards a day was invalid if the day falls before 31 March 2023 and the decision was made more than 6 months after the end of the financial year to which it related, i.e. the backdating rule would not apply to decisions in respect of 2023-24 onwards.

This was likely to mean that with effect from 1 April 2024 decisions would be made on discretionary reliefs fully retrospectively (in respect of the financial year 2024/25 onwards....")

The other significant change was the decoupling of the multipliers and, in effect, the abolition of the small business supplement from 1 April 2024.

This meant that Government could choose to raise the two multipliers by different amounts.

This was going to require extensive discussions between the government and the software suppliers as to how this required data can be extracted before the Local Authorities had to issue the return for the NDR1 (assessment for the rating income for 2024) which was due on 31 December 2023.

The bill also paved the way for data sharing between the VOA, HMRC and billing authorities. The authorities already had a sharing agreement with the VOA but due to the changes with what they could now share, it was expected that a new sharing agreement and protocol would be announced by the VOA.

20. 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 17 October 2023, with statistics relevant to the period up to August 2023:

- 6,043,162 households receiving UC (this was an increase from 5,965,178 as reported at the last meeting of this Committee).

Local authority statistics:

- City of Lincoln – 11,478 (11,343 as at the last report).
- North Kesteven – 6,946 (6,789 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.

DWP had recently announced that in December 2023 they would further expand the 'Move to UC' into Berkshire, Buckinghamshire, and Oxfordshire, and that expansion for October through to December included a smaller number of Jobcentre Districts than previous months, as DWP brought in Couple Tax Credit claims and would be issuing migration notices to areas already within Move to UC activity. For migration notices that would have had a deadline date that fell between 11th December 2023 and 5th January 2024, 30 days had been automatically added to the claimant's deadline date.

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; and the announcement also stated that the national DHP allocation for 2024/25 would be the same as for 2023/24 – so individual local authorities may well receive the same figures for 2024/25 – although this would be confirmed later this year.

As was 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.

For Housing Benefit recipients in Lincolnshire who were not entitled to the national Cost of Living Payment 2023/24, the intention was that this payment would be replicated in three phases, the first payment of (£301) was issued in August through Post Office vouchers with a total of £184,212 awarded to 612 eligible households within the City of Lincoln and £181,804 awarded to 604 eligible households within North Kesteven.

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 working in partnership with an established range of referral partners and application processes – as well as 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.

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 7 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.

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

- Co-ordination of 'Talk Money Week' activities in Lincolnshire during the week-commencing 6th November 2023
- A conference to be held on 20th February 2024 (likely to be in Grantham), to follow-up from the highly successful conference held at the Jakemans Community Stadium in Boston, in February 2023.

Officers also set out some of the key Revenues and Benefits related items in yesterday's Autumn Statement, and further detail will be provided as appropriate moving forward.