

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

Apologies for Absence: Councillor Sally Tarry and Councillor Naomi Tweddle

30. Appointment of Chair

RESOLVED that Councillor Mary Green, North Kesteven District Council be appointed as Chair of Shared Revenues and Benefits Joint Committee for the 2024/25 Municipal Year.

31. Confirmation of Minutes - 22 February 2024

RESOLVED that the minutes of the meeting held on 22 February 2024 be confirmed and signed by the Chair as a true record.

32. Declarations of Interest

No declarations of interest were received.

33. 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 5 September 2024.

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 2023/24.

The Revenues and Benefits Shared Service had been in operation for twelve years since 1 June 2011. Performance had largely been maintained/improved whilst value for money continued to be provided. 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. 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.

For the financial year 2023/24, in-year collection of Council Tax for Lincoln and North Kesteven was down by 0.11% and up by 0.07% respectively compared to

2022/23. Net collectable debit for 2023/24 (compared to 2022/23) increased by £2,795,216 for Lincoln and £4,654,674 for North Kesteven.

Performance had not yet returned to pre-pandemic levels of collection, although cost of living pressures on residents had to be taken into account. Evidence locally as well as on a wider national basis was showing that more people were struggling to pay Council Tax and that this could continue for some time. Officers continued to ensure Council Tax was collected proactively, looking to ensure taxpayers were receiving all the help (e.g. discounts, benefits) they were entitled to, and making payment arrangements to take account of residents' welfare; avoiding undue exceptional hardship. Officers continued to benchmark in-year Council Tax collection with other local authorities, and national collection rates for 2023/24 should be publicly available for inclusion in the next report to this Committee on 5th September 2024.

For the financial year 2023/24, in-year collection of Business Rates was down for Lincoln by 0.87%, North Kesteven down by 0.31% and West Lindsey up by 0.95%. 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 few years.

Outstanding Revenue documents as at the end of the financial year 2023/24, stood at a total of 2,679 (split Lincoln 1,745, North Kesteven 934). This figure was higher than at the end of 2022/23 (total 935 - split Lincoln 637, North Kesteven 934), With significant demands on the team plus recruitment having only just taken place in respect of vacant positions- the team had performed well. As expected, Quarter 4 2023/24 brought extremely high levels of customer contact, mainly due to annual Council Tax and Business Rates bills being issued.

As at the time of writing this report, direction of travel in respect of reducing outstanding documents was positive in 2024/25.

It was noted that from 2024/25 Revenues items outstanding would also include those from the Citizens Access Revenues self-serve portal, effectively creating a new 'baseline' for this measure of performance.

As at the end of the year 2023/24, in collection rates for housing benefit overpayments/outstanding monies were as follows:

Financial year 2023/24 Outturn	City of Lincoln	North Kesteven
In-year collection rate	118.30%	113.36%
Amount collected	£846,401	£460,615
Outstanding Housing Benefit overpayments debt	£2,199,302	£1,181,329

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

There were 3, 449 Benefits customers outstanding as at the end of the financial year 2023/24, (awaiting assessment) – split Lincoln 2,281, North Kesteven 1,168. This was a rise on numbers outstanding at the end of 2022/23 (2,720 – split

Lincoln 1,792, North Kesteven 928) Demands on the team had continued to be significant throughout the year, having to keep on top of the incoming workload, but also delivering other schemes e.g. 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, and was likely to increase moving forward. At points there had also been reductions in Benefits Officer resources, due to vacancies and sickness absence.

Despite the significant increase in incoming work items to be processed during Quarter 4 2023/24, e.g. rent increases and benefit upratings, as at the time of writing this report the oldest item of work outstanding was 4 weeks.

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.

Average processing times for Housing Benefit New Claims had decreased by 1.53 days and 1.58 days for Lincoln and North Kesteven, respectively.

The latest national data available showed that in Quarter 3, 2022/23 New Claims were processed in an average of 18 days by Councils, Changes of Circumstance processed in an average of 8 calendar days (although it should be noted for Changes of Circumstance the average normally decreased in Quarter 4, due to high volumes of '1-day' changes processed due to annual rent, pension changes, etc). This helped to reaffirm the positive nature of Lincoln and North Kesteven average processing times.

Despite the improvement from 2022/23 to 2023/24, the aim was to further improve North Kesteven New Claims performance. 2023/24 performance was detrimentally affected by some information provided by landlords regarding rents being delayed, - officers would continue to try and prevent this occurring moving forward. With the demographics and make-up of the North Kesteven caseload having fewer new claims than City of Lincoln and less temporary/supported accommodation claims, it was difficult to compare performance as exactly 'like for like' between the two authorities.

Processing Benefits claims accurately remained of paramount importance, – i.e., 'getting it right, first time.' In 2023/24, City of Lincoln's 'right first time' assessment of cases checked was 93.05% (2,437 out of 2,619) and for North Kesteven 98.68 (1,119 out of 1,134,). City of Lincoln's performance improved throughout the year – in quarter 1 an increased number of checks had taken place including those in respect of less experienced team members. It should be noted that these checks were in addition to those carried out under the requirements of the annual Housing Benefit Subsidy claims.

The table at paragraph 6.1 of the officer's report detailed vital monies our Welfare Team had continued to assist customers to access during 2023/24 (comparing to 2022/23). The demographics and demands were different in the two districts, Covid-19 undoubtedly had 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 – and new ways of working as residents accessed Council services in different ways. Officers continued to review demands and processes for the Welfare Team.

34. Revenues and Benefits - Financial Outturn 2023/24

Purpose of Report

To provide the Shared Revenues and Benefits Joint Committee with the financial outturn for the Revenues and Benefits Shared Service for 2023/24, as detailed at Appendix 1 to the report.

Decision

That the financial outturn for the Revenues and Benefits shared service at quarter 4, 2023/24 be noted.

Alternation Options Considered and Rejected

None.

Reason for Decision

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, No further New Burdens were issued in quarter two. At Quarter 3, further New Burdens totalling £13,300 were received. At Quarter 4, the budget was increased by a further £12,730 to reflect additional New Burdens grants as detailed at paragraph 3.6 of the officer's report, giving a revised budget of £2,966,910.

Financial performance for the year 2023/24 was detailed in Appendix 1 to the officer's report. At outturn, quarter 4, after the application of the budget adjustments, there was an underspend against the approved budget of £82,720, an improvement against the forecast underspend of £34,940 as at quarter 3.

Each Council had 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 sat outside of the shared service budget.

The main year-end variations against the approved budget for 2023/24 were noted within the table at paragraph 4.6 of the officer's report:

The most significant variance against the approved budget was ongoing staffing vacancies. These savings were partially offset by the National Pay Award, which was significantly higher than the budgeted pay award estimate of 3% assumed within the MTFs, alongside overtime costs which had been incurred due to the volume vacancies that remained within the teams.

The main driver for improvement since quarter three was as a result of savings on postage costs, within the Revenues Local Taxation team, which was previously forecast to budget, prudently, following an overspend last year due to additional costs for administering the Council Tax Energy Rebate payments.

35. 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 that have been announced as a result of the Government's 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 22 November 2023, 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 would continue for 2024/2025 at 75% up to £110,000 per business
- A freezing of the small multipliers for a further year at 49.9p and an increase in the standard multiplier from 51.2p to 54.6p

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 of the officer, which included fire stations, hospitals, museums and hotels occupied by asylum seekers.

Business Rates Review

The final report for the Business Rates Review was 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 1 April 2023, the next being 1 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 1 April 2023, the rateable value would be assessed based on the rental evidence on 1 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 restricted 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. This was now mandated from 1 April 2024.

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/evasion.

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

In March, 2024, the consultation resulted in:

- the extension of the empty property relief 'reset period' to be increased from six weeks to three months with effect from 1.4.2024.
- the announcement of a further consultation on adopting a 'general anti-avoidance rule' for business rates in England
- a commitment from the government to improve communication about 'rogue' business rates agents.

Non Domestic Rating Bill – Royal Assent 26 October 2023

This bill made 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 said that a decision, by a billing authority in England, with regards a day was invalid if the day fell 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.

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 changes in what they could now share, it was expected that a new sharing agreement and protocol would be announced by the VOA.

36. Cost of Living Support

Purpose of Report

- a) 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.
- b) To seek support for and approval of implementation with regard to Household Support Wave 5.

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 updates with regard to Household Support Fund Wave 5 be noted, approving and supporting implementation as outlined.

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 (UC), Discretionary Housing Payments, Household Support Fund, Council Tax Support Scheme and Financial Inclusion matters. The report also set out proposals for Household Support Fund wave 5.

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 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 cost of living related matters, had caused major challenges to households locally and nationally. The Revenues and Benefits Shared Service played 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 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 16 April 2024, with statistics relevant to the period up to December 2024:

- 6,458,756 households received UC (this was an increase from 6,220,096 as reported at the last meeting of this Committee).

Local authority statistics:

- City of Lincoln – 12, 495 (11,878 as at the last report).
- North Kesteven – 7,857 (7,289 as at the last report).

On 25 April 2022, the Secretary of State for Work and Pensions made a statement in the House of Lords on managed UC migration for working-age legacy benefits – with the aim completing the migration by the end of 2024.

DWP released information to state that those in receipt of Tax Credits would be asked to apply for UC by the end of 2024. DWP also announced, through the Autumn Statement 2022, that the managed migration of Employment and Support Allowance (ESA) cases had been delayed to 2028/29. A further announcement was made on the 19th April 2024 with plans to bring forward the managed migration of ESA cases. Notifications for this group were now planned to commence in September 2024 with the aim of notifying everyone to make the move to UC by December 2025, - however no definitive timescale had yet been announced and could change.

As at the time of writing this report, further information was awaited from DWP in terms of numbers of cases anticipated as moving from a legacy benefit (for example, Housing Benefit (HB)) to UC in 2024/25, - as well as a more definitive timescale. Under current plans, our shared service would continue to be responsible for administering and processing HB claims for those of pension age, all Council Tax Support claims, and Exempt/temporary accommodation HB claims, - as well other related work such as Discretionary Housing Payments. Revenues and Benefits management continued to keep the whole LiNK team aware of UC managed migration and the potential impacts moving forward.

Discretionary Housing Payments (DHP)

City of Lincoln's DHP initial government grant for 2024/25 was £132,330 and North Kesteven's £86,931.

The number of DHP received and determined for 2023/24 was 278 for the City of Lincoln and 153 for North Kesteven.

The average award for both City of Lincoln and North Kesteven had increased for 2023/24 compared to 2022/23 due to more applications being turned down this financial year because of officers now taking Personal Independence Allowance, Disability Living Allowance and Attendance Allowance into consideration, which meant that more customers had income that exceeded their outgoings. This had allowed officers to award larger DHP payments to those customers living in the private sector where rents had significantly increased, whilst the Local Housing Allowance (LHA) figures had remained the same. However, it should be noted that LHA rates had recently been announced as increasing for 2024/25.

As the full government grant for the City of Lincoln had been spent, an extra £10,000 had been provided out of the Homeless Prevention Fund to help support the DHP budget for Lincoln residents until the end of the current financial year.

Household Support Fund

Shared Revenues and Benefits Joint Committee were updated on the current position in relation to Household Support Fund wave 4, as well as proposed plans in respect of Household Support wave 5.

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, on 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 the Spring 2024 budget, the Government confirmed that a further £421 million would be made available to county councils and unitary authorities in England via the Household Support Fund (HSF) for the period 1st April to 30th September 2024. The fund was intended to support vulnerable households most in need with the cost of essentials, such as food, energy and water.

Following the publication of the scheme guidance on 2nd April 2024, Lincolnshire County Council presented a report to its Overview and Scrutiny Management Board setting out details of the scheme and options to utilise the Lincolnshire allocation of £5,464,685.20 for the benefit of residents most in need of support. This was the fifth round of funding and as with earlier rounds, collaboration with District Councils was required to effectively deliver the scheme. Relationships with delivery partners and mechanisms were now well established with learning taken from previous funding rounds. As with previous rounds, Lincolnshire County Council had proposed that funding was allocated to schools and early years providers to distribute to targeted cohorts and to support eligible care leavers in supported living accommodation. The remainder would be allocated to District Councils using the Indices of Multiple Deprivation (IMD), to support the delivery of an application-based element and locally determined schemes that met the specific needs of communities.

The indicative shares of HSF5 for our shared service local authorities, were:

- City of Lincoln: £297,278
- North Kesteven: £204,379.

In terms of administrative costs incurred by the shared service for delivery of HSF5, it was proposed that in the region of 5% of Lincoln and North Kesteven's allocations be allocated to these costs – as was allowable under the scheme. A range of % administrative costs had been claimed by District Councils, in previous rounds of HSF.

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 (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 were £222,803 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 was to be allocated via local schemes in 2023/24; £101,705 for City of Lincoln, and £38,628 for North Kesteven

Officers had worked proactively to ensure this fund was allocated to accounts as appropriate, and moving into 2024/25 only relatively small percentages of original funding were left to be allocated.

37. Staffing Changes

Purpose of Report

- a) To request an amendment to the allocated hours in the LiNK staffing structure regarding:
 - Senior Council Tax Administration Officer, and
 - Council Tax Administration Officer.
- b) To request that certain staffing structural changes be delegated to Revenues and Benefits Operational Board

Decision

1. That an increase in permanent establishment Senior Council Tax Administration Officer capacity from 1.59 FTE (59 hours per week) to 1.78 FTE (66 hours per week) be approved by Shared Revenues and Benefits Joint Committee.
2. That a decrease of permanent establishment Council Tax Administration Officer capacity by 0.23 FTE (8.5 hours per week) be approved by Shared Revenues and Benefits Joint Committee.
3. That with immediate effect it be approved by Shared Revenues and Benefits Joint Committee that staffing structural changes be delegated to

Revenues and Benefits Operational Board to consider/approve in the following circumstances:

- Where there is no financial impact on the shared service, and
- Where no member of LiNK staff is placed 'at risk;' and
- Where there is no permanent deletion of any post.

Alternative Options Considered and Rejected

None.

Reason for Decision

The report provided a business case for changes to Senior Council Tax Administration Officer and Council Tax Administration Officer hours on the permanent staffing structure establishment.

The report also set out a rationale regarding future such 'relatively minor' staffing structural changes being delegated to Revenues and Benefits Operational Board.

The Delegation Agreement for the LiNK Revenues and Benefits Shared Service included responsibilities of the Operational Board as detailed at paragraph 5.1 or the officers report

The Joint Committee terms of reference gave permission to approve changes to staffing structures and any associated management of change procedures including redundancies.

Whilst it was understood that it was correct that any fundamental changes to the Shared Revenues and Benefits Joint Committee (LiNK) staffing structure should be considered/approved by Joint Committee, for relatively minor 'tweaks' to the structure it was proposed that these should be delegated for Revenues and Benefits Operational Board (comprising of Section 151 Officers of both partner Councils) to consider/approve. This could be for changes which had;

- No financial impact on the shared service;
- Did not place any LiNK member of staff 'at risk;'
- Did not permanently delete any post.