



SHARED REVENUES AND BENEFITS JOINT COMMITTEE

**Thursday, 19 September
2024**

2.00 pm

**NKDC, Council Offices
Sleaford**

Membership:	Councillors Sue Burke (City of Lincoln Council), Mary Green (North Kesteven District Council), Sally Tarry (North Kesteven District Council) and Naomi Tweddle (City of Lincoln Council)
Substitute members:	Councillors Rebecca Longbottom, 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, 21 November 2024 (2.00 pm) in Committee Room 1, City Hall

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

Apologies for Absence: Councillor Sally Tarry and Councillor Naomi Twedde

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.

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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 2024/25.
- 2.2 The Revenues and Benefits Shared Service has now been in operation for thirteen years, forming on 1 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 some time.

3. Background

- 3.1 At the 30 May 2024 meeting of this Committee, a report was presented detailing Revenues and Benefits performance year outturns for the financial year 2023/24.
- 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 2024/25, in-year collection for Lincoln is down by 0.66% and North Kesteven down by 0.33%. At this early stage in the financial year, neither rate is cause for significant concern – although, as previous flagged to this committee, Council Tax collection is generally lower at both regional and national levels – seeming to indicate that some taxpayers are struggling to pay their bills as a consequence of cost of living pressures.

Description		June 2024	Compared to June 2023
Council Tax Collection	City of Lincoln	25.64%	Down by 0.66%
Council Tax Collection	North Kesteven	28.64%	Down by 0.33%
Council Tax Net liability	City of Lincoln	£57,839,213	Up by £3,491,554
Council Tax Net Liability	North Kesteven	£86,153,850	Up by £5,251,834

In terms of the national context, the latest available figures are for annual Council Tax in-year collection outturns 2023/24. City of Lincoln Council's in-year collection was 246th (2022/23 240th) and North Kesteven 20th (2022/23 9th) out of 296 local authorities whose performance was reported. Out of the seven Lincolnshire Districts, for 2023/24, City of Lincoln and North Kesteven achieved 6th and 1st highest collections, respectively.

Nationally, by the end of March 2024, authorities had collected £37.8 billion of Council Tax that related to 2023/24 and achieved an average in-year collection rate of 95.9%, a decrease of 0.1 percentage points over 2022/23.

- 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 2024	8,278	5,406
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 2024/25, compared to the same point in 2023/24 in-year collection is the three local authorities, are as follows:

- Lincoln down by 0.60%;
- North Kesteven up by 2.27%;
- West Lindsey down by 1.82%.

There are no major concerns with in-year collection at this early stage of the year. 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 2024	Compared to June 2023
Business Rates collection	City of Lincoln	35.01%	Down by 0.60%
Business Rates collection	North Kesteven	40.57%	Up by 2.27%
Business Rates collection	West Lindsey	30.22%	Down by 1.82%
Business Rates Net Liability	Lincoln	£41,854,735	Up by £3,201,567
Business Rates Net Liability	North Kesteven	£34,596,292	Up by £3,843,882
Business Rates Net Liability	West Lindsey	£19,817,460	Up by £1,867,007

- 4.6 In terms of the national context, the latest available figures are for annual Business Rates in-year collection outturns 2023/24. City of Lincoln Council's in-year collection was 96th (2022/23 22nd), North Kesteven 39th (2022/23 14th) and West Lindsey 95th (2022/23 162nd) out of 296 local authorities whose performance was reported. Out of the seven Lincolnshire Districts, for 2023/24, City of Lincoln, North Kesteven and West Lindsey achieved 4th, 2nd and 3rd highest collections, respectively.

Nationally, by the end of March 2024, authorities had collected £24.1 billion in non-domestic rates that related to 2023/24 and achieved an average in-year collection rate of 97.2% in 2023/24, an increase of 0.4 percentage points over 2022/23.

4.7 Outstanding Revenues Documents

- 4.8 The number of outstanding Revenues Customers at the end of Quarter 1 2024/25 is 3,005 797 (split Lincoln 1,834, North Kesteven 1,171) – this compares to 797 (split Lincoln 609, North Kesteven 188) at Quarter 1 2023/24. There have been, and continues to be, significant demands on the team plus recruitment having only just taken place in respect of vacant positions. It should also be noted that from 2024/25 Revenues items outstanding also include those from the Citizens Access Revenues self-serve portal, so there will effectively be a new 'baseline' for this measure of performance.

- 4.9 To give some context as to the workload of the Revenues Team, in Quarter 1 2024/25 16,349 items of post were received, 6,471 telephone calls taken, and 6,760 e-mails received.

4.10 Housing Benefit Overpayments

- 4.11 As at the end of Quarter 1 2024/25, in period collection of Housing Benefit overpayments stands at:

- City of Lincoln: 124.63%,
- North Kesteven: 90.42%.

- 4.12 Outstanding Housing Benefit overpayments debt also continues to decrease overall. As at the end of Quarter 1 2024/25:
- City of Lincoln: £2,135,045,
 - North Kesteven: £1,190,944.

5. Benefits Performance

- 5.1 As at the end of Quarter 1 2024/25, there are 4,908 Benefits customers outstanding and awaiting assessment (split Lincoln 2,997, North Kesteven 1,911). This figure is higher than that at the same point last year (3,682 Benefits customers outstanding and awaiting assessment (split Lincoln 2,622, North Kesteven 1,060)). Demands on the team continue to be high, as well as there being a number of unforeseen staffing absences.

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.

Direction of travel is positive at the time of writing this report, with overall outstanding work reducing to 2,842 (split Lincoln 1,936, North Kesteven 906) by 5 September 2024.

- 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 2024/24:

End Quarter 1 2022/23	City of Lincoln	North Kesteven
Housing Benefit New Claims	14.20 days (End Quarter 1 2022/23 16.55 days)	17.61 days (End Quarter 1 2022/23 19.64 days)
Housing Benefit Changes of Circumstance	4.54 days (End Quarter 1 2022/23 5.97 days)	6.72 days (End Quarter 1 2022/23 3.86 days)

To give this position some context, the latest national data available shows that in Quarter 4 2024/25 New Claims were processed in an average of 19 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 2023/24) 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 2024/25:

- City of Lincoln: 96.68% (466 out of 482 checked),
- North Kesteven: 98.14% (264 out of 269 checked).

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

6. Welfare and Benefits Advice

6.1 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 2024/25, the team has achieved the following:

Quarter 1 2024/25	City of Lincoln	North Kesteven
Advice provided enabling weekly value of additional benefits	£7,330	£6,212
Advice provided enabling lump sum award of additional benefits	£49,853	£66,325
No. of customers to whom help provided	1,638	648
No. money advice referrals	53	27

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.

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 21st November 2024.

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 2024/25

List of Background Papers: None

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

Revenues and Benefits Joint Committee 19th September 2024
Performance Update
Appendix 1: Performance Data to end Quarter 1 2024/25

<u>Measure</u>	<u>Quarter 1 2024/25</u>		<u>Quarter 1 2023/24</u>	
Local Authority	NK	COL	NK	COL
Council Tax collection (cumulative)	28.64%	25.64%	28.97%	26.30%
NNDR collection (cumulative)	40.57%	35.01%	38.31%	35.61%
NNDR collection – WLDC (cumulative)	30.22%		32.26%	
No. Revenues customers awaiting change to be processed	1,171	1,834	188	609
Total Net Arrears for Council Tax prior years (i.e. not including current year)	£4,059,164	£9,156,740	£3,188,604	£7,625,612
Total Net Arrears for NNDR prior years (i.e. not including current year)	£101,388	(Credit £207,005)	£46,922	£188,298
Housing Benefit overpayments collection in period	90.42%	124.63%	108.29%	116.93%
Outstanding Housing Benefit overpayments debt	£1,190,944	£2,135,045	£1,257,137	£2,419,812
Housing Benefit New Claims: Average number of days to process (cumulative)	17.61 days	14.20 days	19.64 days	16.55 days
Housing Benefits Changes of Circumstances: Average number of days to process (cumulative)	6.72 days	4.54 days	3.86 days	5.97 days
No. Benefits customers awaiting assessment (cumulative)	1,911	2,997	1,060	2,622
% Benefits claims checked financially correct (cumulative)	98.14%	96.68%	96.80%	87.85%

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**SUBJECT: REVENUES AND BENEFITS - FINANCIAL MONITORING
QUARTER 1 2024/25**

DIRECTORATE: 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 30 June 2024) performance for the Revenues and Benefits shared service for 2024/25.

2. Executive Summary

- 2.1 The forecast outturn for 2024/25 predicts that there will be an overspend against the approved budget of £84,580, as set out in Appendix 2.
- 2.2 The current MTFS assumptions reflect a pay award of 3% in 2024/25, however given the latest nationally proposed pay award is in excess of this, an estimate of the impact has been calculated at £41,180, split between each authority as follows; City of Lincoln £21,640 and North Kesteven £19,540. As this offer is yet to be accepted by the Unions, it is still subject to change., but is for forecasting purposes included in the forecast above.

3. Background

- 3.1 The approved budget for 2024/25 was agreed by Revenues and Benefits Joint Committee on 22 February 2024. The Committee set a budget for 2024/25 of £3,075,650 for the service.
- 3.2 At quarter one, the budget was increased to reflect New Burdens grants totalling £27,480, detailed as follows:-

	CoLC	NK	Total
	£	£	£
Original Budget	1,629,170	1,446,480	3,075,650
DWP - LA IT Changes	1,010	1,010	2,020
DWP - LA IT Changes	730	730	1,460
DWP - LA IT Changes	12,000	12,000	24,000
REVISED BUDGET	1,642,910	1,460,220	3,103,130

4. Quarter One Financial Performance and Forecast Outturn 2024/25

4.1 Performance Quarter 1

Financial performance for the first quarter of 2024/25 is detailed in Appendix 1 to this report. At quarter 1, there is an overspend against the approved budget of £6,882, including the nationally proposed pay award.

4.2 Forecast Outturn 2024/25

The forecast outturn for 2024/25 predicts that there will be an overspend against the approved budget of £84,580, including the nationally proposed pay award. Further detail is attached within Appendix 2 of this report. It should be noted that at the end of quarter 2 postage for Revenues Local Taxation is to be reviewed, as there is potential for an reduction/underspend in this area which would significantly reduce the projected overall overspend.

4.3 A summary of the main forecast year-end variations against the approved budget for 2024/25 is shown in the table below:

<u>Service Area</u>	<u>£</u>	<u>Reason for variance</u>
Management		
Proposed Pay Award	2,040	Impact of the proposed Nationally agreed Pay Award for 2024/25
Benefits		
Salary costs	(39,090)	Vacancy savings expected for first 6 months pending recruitment.
Overtime	39,120	Additional hours required as a result of vacancies.
Proposed Pay Award	15,460	Impact of the proposed Nationally agreed Pay Award for 2024/25
Postage	18,600	Additional costs as a result of increased requirements.
IT Costs	35,050	New Software requirements, partially funded through New Burdens funding.
New Burdens	(27,480)	Additional grant funding to offset new IT cost pressures.
Revenues Local Taxation		
Staffing Costs	(11,050)	Vacancy savings expected for first 6 months pending recruitment.
Overtime	26,610	Additional hours required as a result of vacancies.

Proposed Pay Award	18,910	Impact of the proposed Nationally agreed Pay Award for 2024/25
IT Costs	14,740	New Software requirements.
Benefits/Money Advice		
Staffing Costs	(7,060)	Vacancy savings expected for first 6 months pending recruitment.
Proposed Pay Award	4,770	Impact of the proposed Nationally agreed Pay Award for 2024/25

- 4.4 It should be noted that through Household Support Fund wave 5 (HSF5) 2024/25, the following internal administrative costs to the Revenues and Benefits Shared Service have been claimed for, to be paid by Lincolnshire County Council (with national funding for HSF5 coming from Department for Work and Pensions); City of Lincoln £12,618, North Kesteven £8,675. These amounts will however not come into the Revenues and Benefits shared service budget, and will stay in the individual local authorities' budgets.

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

Appendix 1 - Actual Position as at Quarter 1 2024/25

	Profiled Budget			Actual YTD			Variance YTD		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits									
Management	81,160	81,160	162,323	80,902	80,902	161,804	(258)	(258)	(516)
Benefits	192,920	140,670	333,588	164,098	118,830	282,928	(28,822)	(21,840)	(50,662)
Revenues Local Taxation	124,500	129,580	254,078	150,450	156,591	307,042	25,950	27,011	52,962
Money Advice	36,400	36,400	72,805	33,802	33,802	67,603	(2,598)	(2,598)	(5,197)
Total 2024/25	434,980	387,810	822,793	429,252	390,125	819,377	(5,728)	2,315	(3,413)
Proposed National Pay Award							5,409	4,886	10,295
Grand total							(318)	7,200	6,882

Appendix 2 Forecast Financial Outturn for 2024/25

	Annual Budget			Forecast Outturn			Variance		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits Management	237,270	237,270	474,540	236,925	236,925	473,850	(345)	(345)	(690)
Benefits	751,090	547,670	1,298,760	769,029	560,751	1,329,780	17,939	13,081	31,020
Revenues Local Taxation	508,210	528,940	1,037,150	517,548	538,672	1,056,220	9,338	9,732	19,070
Money Advice	146,340	146,340	292,680	143,340	143,340	286,680	(3,000)	(3,000)	(6,000)
Total 2024/25	1,642,910	1,460,220	3,103,130	1,666,842	1,479,688	3,146,530	23,932	19,468	43,400
Proposed National Pay Award							21,638	19,542	41,180
Grand total							45,570	39,010	84,580

Appendix 3 Impact of Proposed National Pay Award for 2024/25

	Annual Budget			Shared Service Impact		
	Original	Revised	Pressure	CoLC	NK	Combined
Revenues & Benefits Management	375,220	377,260	2,040	1,020	1,020	2,040
Benefits	1,211,310	1,234,770	15,460	8,970	6,490	15,460
Revenues Local Taxation	985,000	1,003,910	18,910	9,270	9,640	18,910
Money Advice	279,470	284,250	4,770	2,390	2,380	4,770
Total 2024/25	2,851,000	2,900,190	41,180	21,640	19,540	41,180

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

2. Executive Summary

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

3. Background

- 3.1 The report includes 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 focuses on the financial impact of recent appeals and reductions to rateable values.

4. NDR Charges and Significant Reliefs/Discounts

- 4.1 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 will 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.

5. Retail, Hospitality and Leisure Relief

- 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 2023/2024. 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/1031111/business-rates-information-letter-9-2021.pdf)

- [Business Rates Relief: 2023/24 Retail, Hospitality and Leisure Scheme - GOV.UK \(www.gov.uk\)](https://www.gov.uk/business-rates-relief-2023-24-retail-hospitality-and-leisure-scheme)

[Business Rates Relief: 2024/25 Retail, Hospitality and Leisure Scheme - GOV.UK \(www.gov.uk\)](https://www.gov.uk/business-rates-relief-2024-25-retail-hospitality-and-leisure-scheme)

This relief has been extended for the year 2024/25.

- 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 2024/25.

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 End March 2024	£4,043,245	£2,326,887	£1,423,924	75%
2024/25 End June 2024	£3,892,960 (estimate on ndr1 £4,003,220)	£2,333,899 (estimate on ndr1 £2,336,514)	£1,455,413 (estimate on ndr1 £1,509,920)	75%

Capping applies to all years with exception of 2020/21.

6. Potential Reductions to Rateable Value

6.1 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 revaluation which came into force on 1 April 2023, the next being 1 April 2026 and so on.

The process of revaluation starts approximately 2 years before the new valuations come into force. Therefore, the work has begun on collection of information for the list that will come into force on 1 April 2026

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

7.3 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 was made mandatory through the Non Domestic Rating Bill. This is now mandated from 1 April 2024.

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

- 8.1 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 stated -

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.

One of the most prevalent rates avoidance schemes is to 'reoccupy' a property for 6 weeks and 1 day, empty the property again and claim a further 3 month exemption. The occupation is contrived for the sole purpose of claiming a further period of empty exemption. Due to caselaw involving *Makro Properties v Nuneaton and Bedworth* (2012) and *Principled Offsite Logistics Ltd v Trafford Council*, the occupation has to be minimal such as moving a few boxes into a warehouse. Estimated losses to the shared service over 2022-23 for this type of rates avoidance is estimated to be - City of Lincoln £636k, North Kesteven £87k, and West Lindsey £65k.

Whilst not illegal, the practice is considered to be rates avoidance and companies have been set up for the sole purpose of abusing this loophole in the legislation.

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
- and a commitment from the Government to improve communication about 'rogue' business rates agents.

9 Non Domestic Rating Bill – Royal Assent 26 October 2023

9.1 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 creates section 47(6A) which says that a decision, by a billing authority in England, with regards a day is invalid if the day falls before 31 March 2023 and the decision is made more than 6 months after the end of the financial year to which it relates, i.e. the backdating rule does not apply to decisions in respect of 2023-24 onwards.

This is likely to mean that with effect from 1 April 2024 we will be able to make decisions on discretionary reliefs fully retrospectively (in respect of the financial year 2024/25 onwards....").

The other significant change is the decoupling of the multipliers and, in effect, the abolition of the small business supplement from 1 April 2024. This means that Government can choose to raise the two multipliers by different amounts.

The bill also paves the way for data sharing between the VOA, HMRC and billing authorities. The authorities already have a sharing agreement with the VOA but due to the changes with what they can now share, we expect a new sharing agreement and protocol to be announced by the VOA.

9.2 Occupied for Purposes of Prayer

Further to the rates mitigation schemes that are widely advertised on the internet, authorities are seeing a new scheme where empty properties are being 'let' to 'religious groups' for religious worship and ceremonies.

A number of authorities are reporting that they are being informed that an empty restaurant, empty warehouse etc is being used in this way. This would attract an exemption, but the property must be registered as a property for religious worship and ceremonies with the Registrar General.

The Registrar General has been notified by several local authorities of our concerns.

10. Intention to Abolish Mandatory Relief for Private Schools

- 10.1 The abolition of mandatory relief for private schools was outlined in the technical note on applying VAT to school fees, published on the 26 July 2024.

The intention is to remove entitlement to mandatory relief for private schools from April 2025 with primary legislation being introduced after the Autumn budget in October 2024.

11. Strategic Priorities

- 11.1 Both authorities look to protect those who may be experiencing final hardship. The Revenues Team is mindful of the strategic priorities when engaging with business ratepayers as they look to recover the business rate.

12. Organisational Impacts

12.1 Finance

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

12.2 Legal Implications including Procurement Rules

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

12.3 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.

13. Risk Implications

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

14. Recommendation

- 14.1 Members are requested to note this report.

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

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SUBJECT: COST OF LIVING SUPPORT

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

LEAD OFFICER: REBECCA COX, WELFARE REFORM AND PROJECT LEAD

1. Purpose of Report

- 1.1 To provide Shared Revenues and Benefits Joint Committee with an update regarding various areas relating to the national welfare reform agenda, as well as current cost of living initiatives to support residents.
- 1.2 To seek support for and approval in principle regarding implementation of an extended Household Support Fund/delegation to make this decision.

2. Executive Summary

- 2.1 This report provides Shared Revenues and Benefits Joint Committee with an update with regard to the national and local position of welfare reform/other initiatives, with a specific focus on Universal Credit, Discretionary Housing Payments, Household Support Fund 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 (UC). 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 cost of living related matters, have 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) w released on 9 July 2024, with statistics relevant to the period up to May 2024:
 - 6,757,693 households receiving UC
(this is an increase from 6,458,756 as reported at the last meeting of this Committee).

Local authority statistics are also available:

- City of Lincoln – 12,900 (12,495 as at the last report).
- North Kesteven – 8,172 (7,857 as at the last report).

- 4.2 On 25 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. A ‘Discovery Phase’ of migration has been taking place, with a number of areas around the country (not Lincolnshire) with a relatively small number of UC cases.

DWP released information to state those in receipt of Tax Credits would be asked to apply for UC by the end of 2024 ([Tax credits are ending - Understanding Universal Credit](#)). 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 19 April 2024 with plans to bring forward the managed migration of ESA cases. Notifications for this group are 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 has yet been announced and could change.

As at the time of writing this report, further information is awaited from DWP in terms of estimated 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 timeline for the next 18-24 months. 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 continue to keep the whole LiNK team aware of UC managed migration and the potential impacts moving forward.

5. Discretionary Housing Payments (DHP)

- 5.1 On 13 March 2024, DWP announced DHP government grants for 2024/25. As expected, for City of Lincoln and North Kesteven. these are the same amounts as for 2023/24. The table below includes the confirmed 2024/25 allocations, also showing previous years’ grants.

	City of Lincoln Council central government DHP grant	North Kesteven central government DHP grant
2024/25	£132,330	£86,931
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

- 5.2 The table below breaks down the number of DHP applications received and determined for in quarter 1 2024/25.

DHP applications – 2024/25	City of Lincoln	North Kesteven
Total number awarded	70 (Quarter 1 2023/24 = 104)	54 (Quarter 1 2023/24 = 53)
No. awarded for Housing Benefit	10 (Quarter 1 2023/24 = 30)	6 (Quarter 1 2023/24 = 12)
No. awarded for Universal Credit	60 (Quarter 1 2023/24 = 74)	48 (Quarter 1 2023/24 = 41)
Average DHP award	£699.76 (Quarter 1 2023/24 = £622.14)	£709.93 (Quarter 1 2023/24 = £783.94)

Local Housing Allowance (LHA) rates increased from 2024/25 ([Local Housing Allowance \(LHA\) rates applicable from April 2024 to March 2025 - GOV.UK \(www.gov.uk\)](#)), having previously been ‘frozen’ for several years. Increased LHA rates may help affordability of rents for some private sector (and some social sector) tenants, however as things stand this is only a ‘one year unfreeze’.

5.3 The table below shows DHP spend for quarter 1 2024/25:

	Central Government - DHP Grant 2024/25	DHP total net paid as at 30th June 2024	DHP committed as at 30th June 2024	DHP total spend as at 30th June 2024	% Grant spent
City of Lincoln	£132,330	£14,457	£34,526	£48,983	37%
North Kesteven	£86,931	£11,087	£27,248	£38,335	44%

6. Household Support Fund

6.1 There are 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 5 (‘HSF5’), as well as the recently-announced extension to Household Support Fund – i.e. wave 6 (‘HSF6’).

6.2 Household Support Fund wave 5 (HSF5)

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 1 April to 30 September 2024. The fund is 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 2 April 2024, Lincolnshire County Council presented a report to its Overview and Scrutiny Management Board ([H \(moderngov.co.uk\)](#)), 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 is the fifth round of funding and as with earlier rounds, collaboration with District Councils is required to effectively deliver the scheme. Relationships with delivery partners and

mechanisms are now well established with learning taken from previous funding rounds. As with previous rounds, Lincolnshire County Council proposed that funding is 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 meet the specific needs of communities.

6.3 Allocated shares of HSF5 for our shared service local authorities, are:

- City of Lincoln: £252,352.96
- North Kesteven: £173,492.66.

Officers are again working with an established range of referral partners and application processes – as well as some new partners/routes – to ensure these HSF5 monies (through vouchers, food parcels, energy top-ups, etc.) are delivered to those identified as in need. A key focus is again on reducing foodbank dependency wherever possible, working with partners to help residents to access other means of support (e.g. money advice), - as well as supporting a drive to further increase usage of community groceries. Also, a strategic aim of HSF5, is to try and leave a ‘legacy’ of impact – as there is no guarantee of a Household Support Fund scheme (or of another form of local welfare provision) beyond 2024/25.

In terms of an ‘open application’ scheme, officers have worked 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.

In terms of administrative costs incurred by the shared service for delivery of HSF5, in the region of 5% of Lincoln and North Kesteven’s allocations are to be reclaimed for these costs – as is allowable under the scheme. A range of % administrative costs have been claimed by District Councils, in previous rounds of HSF.

Between April 2024 and July 2024, the following awards were made through HSF5 to support with the cost of Food, Energy, Water & Wider Household Essentials.

City of Lincoln

Household Composition	Households with a Disabled Person	Households with Children	Households with a Pensioner	Other	
Number of Households Helped	288	1,271	268	1,101	
Amount of Award	£11,690	£71,865	£9,300	£41,915	Total Paid £134,770

North Kesteven

Household Composition	Households with a Disabled Person	Households with Children	Households with a Pensioner	Other	
Number of Households Helped	73	298	22	178	
Amount of Award	£10,600	£26,105	£3,200	£5,950	Total Paid £45,855

6.4 Extension of Household Support Fund – wave 6 (HSF5)

On 2 September 2024, the Government announced an extension to the Household Support scheme (press release [Government support extended to help struggling households with bills and essential costs over winter - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/press-releases/2024/09/02/government-support-extended-to-help-struggling-households-with-bills-and-essential-costs-over-winter)).

Department for Work and Pensions (DWP) stated there would be an extension to the Household Support Fund, for the next six months – i.e. 1 October 2024 to 31 March 2025, and provided the following information:

The £421m extension gives certainty to Local Authorities across England over the winter months – up until April 2025 – as they work to help those struggling with the cost of energy, food, and water. An estimated £79 million will be given to devolved administrations.

Pensioners and others struggling to heat their homes or afford other essential items over the colder months should contact their local council to see what support may be available to them. Details on the latest scheme for local authorities and councils will be communicated in the coming weeks.

As at the time of writing this report, officers await further information in respect of the scheme – i.e. guidance, financial allocation for Lincolnshire (which will then follow with allocations for Lincolnshire District Councils, following discussion with Lincolnshire County Council). Officers are starting to make indicative plans how and when such a fund could be allocated, including to any potential targeted cohorts, and will look to deliver these vital funds as soon as guidance, decision-making processes and guidance allows.

Cost of living pressures are likely to remain high – locally and nationally – and increase, through the winter months. With the extension of Household Support Fund now having been announced, officers will need to mobilise quickly with the aim of providing vital cost of living support monies to residents/partner organisations quickly and effectively. Depending on associated guidance with this extended scheme, officers will aim to deliver this fund/ these monies on a similar basis as previous rounds of Household Support Fund. On this basis, recommendation 11.2 in this report seeks approval of a scheme in principle, and also to delegate these decisions to the Chief Executive of both partner local authorities.

7. Winter Fuel Payments and Pension Credit

- 7.1 On 29 July 2024, the Chancellor announced that Winter Fuel Payments would become means-tested from 2024/25. Eligibility information has subsequently been made available on GOV.UK ([Winter Fuel Payment: Eligibility - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/press-releases/2024/07/29/winter-fuel-payment-eligibility)), as shown in paragraph 7.2 (below).

Lincolnshire Financial Inclusion Partnership (see Section 9 of this report) had already planned a countywide Pension Credit take-up campaign in Autumn 2024, - this announcement has brought forward this activity, and communications and take-up activities are now taking place to encourage and assist residents in claiming Pension Credit as soon possible. A national Pension Credit Week of Action also took place in week-commencing 9th September 2024 ([“You could get Pension Credit” – Week of Action to drive take up - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/press-releases/2024/09/05/you-could-get-pension-credit-week-of-action)).

7.2 **Eligibility**

You can get a Winter Fuel Payment for Winter 2024 to 2025 if you were born before 23 September 1958.

You must also live in England or Wales and get one of the following:

- *Pension Credit*
- *Universal Credit*
- *Income-related Employment and Support Allowance (ESA)*
- *Income-based Jobseeker's Allowance (JSA)*
- *Income Support*

If you live in Scotland, you might get an annual Pension Age Winter Heating Payment instead.

In some circumstances, you might be eligible [if you live abroad](#).

When you will not be eligible

You will not be eligible if you:

- *live in Scotland*
- *have been in hospital getting free treatment for more than a year*
- *need permission to enter the UK and your granted leave says that you cannot claim public funds*
- *were in prison for the whole of the week of 16 to 22 September 2024*

If you live in a care home

You can get Winter Fuel Payment if you live in a care home. You will not be eligible if both of the following apply:

- *you get Pension Credit, Income Support, income-based Jobseeker's Allowance (JSA) or income-related Employment and Support Allowance (ESA)*
- *you lived in a care home for the whole time from 24 June to 22 September 2024 .*

- 7.3 In the Chancellor's statement on 29 July 2024, the potential of Housing Benefit and Pension Credit being 'merged' was mentioned. Any merger (whether this be into Housing Benefit, or into Pension Credit), would be likely to take several years, if not longer. No further detail is available at this time, however officers will continue to engage with Department for Work and Pensions colleagues.

8. Financial Inclusion

- 8.1 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.

Three key areas of high-profile engagement by LFIP in 2024/25, are:

- A co-ordinated countywide approach to Pension Credit take-up activity;
- Co-ordination of 'Talk Money Week' activities in Lincolnshire during November 2024: [Talk Money Week \(moneyhelper.org.uk\)](https://moneyhelper.org.uk) ;
- A conference to be held on 27 February 2025, at The Storehouse in Skegness ([HOME | The Storehouse](#)), to follow-up from the highly successful conferences held at the Jakemans Community Stadium in Boston in February 2023, and Jubilee Church Life Centre in Grantham in February 2024.

Representatives of LFIP also presented a well-received session at the Lincolnshire Suicide Prevention Conference held at Bishop Grosseteste University in Lincoln, on 4 September 2024, in respect of the links between Money and Mental Wellbeing.

- 8.2 In terms of the well-documented ongoing 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 \(n-kesteven.gov.uk\)](#) .

- 8.3 City of Lincoln Council approved funding for some cost of living projects through the UK Shared Prosperity Fund, for 2024/25, and this work continues to deliver effective initiatives working with a range of partners.

9. Strategic Priorities

- 9.1 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.

9.2 **Organisational Impacts**

9.3 **Finance**

Discretionary Housing Payments and Household Support Fund payments and are funded through local government grants (subject to specified limits).

9.4 **Legal implications inc Procurement Rules**

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

10. **Risk Implications**

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

11. **Recommendations**

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

11.2 Joint Committee:

- (i) Approves officers within the Revenues and Benefits Shared Service to deliver an extended Household Support Fund scheme from October 2024, - depending on associated guidance with the scheme, officers to deliver this fund/these monies on a similar basis as in previous rounds of the Household Support Fund scheme, with reference to any specific identified cohorts where appropriate.
- (ii) To delegate the decision on the extended scheme from October 2024, to the Chief Executive of both partner local authorities, - to enable prompt and effective delivery of these vital cost of living support monies.

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

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