



## SHARED REVENUES AND BENEFITS JOINT COMMITTEE

**Thursday, 5 December 2024**

**3.00 pm**

**Committee Room 1, City Hall**

Membership:	Councillors Mary Green (North Kesteven District Council) (Chair), Naomi Tweddle (City of Lincoln Council), Sue Burke (City of Lincoln Council) and Sally Tarry (North Kesteven District Council) (City of Lincoln Council)
Substitute members:	Councillors Donald Nannestad, Rebecca Longbottom and Councillor Mark Smith (North Kesteven District Council)
Officers attending:	Democratic Services (City of Lincoln Council), Jaclyn Gibson (City of Lincoln Council), Richard Hunt (North Kesteven District Council), Tracey Parker (City of Lincoln Council), Julie Schofield (North Kesteven District Council), Russell Stone (North Kesteven District Council) and Martin Walmsley (City of Lincoln Council)

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### A G E N D A

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**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:** Wednesday, 26 February 2025 (2.00 pm) in NKDC Offices

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

**Apologies for Absence:** None.

**38. Confirmation of Minutes - 30 May 2024**

RESOLVED that the minutes of the meeting held on 30 May 2024 be confirmed and signed by the Chair as a true record.

**39. Declarations of Interest**

No declarations of interest were received.

**40. 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 21 November 2024.

Alternative Options Considered and Rejected

None.

Reason for Decision

The report provided an update on Revenues and Benefits performance in respect of Quarter 1 for the financial year 2024/25.

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

In respect of Council Tax, up to the end of Quarter 1 2024/25, in-year collection for Lincoln was down by 0.60% and North Kesteven was down by 0.33% respectively. At the end of August 2024, City of Lincoln figures were down by 0.48% and North Kesteven down by 0.29%. At this early stage in the financial year, neither rate was a cause for concern, although, as previously flagged to this Committee, Council Tax collection was generally lower at both regional and

national levels - seeming to indicate that some tax payers were struggling to pay their bills as a consequence of cost of living pressures.

In terms of the national context, latest figures for annual Council Tax in-year collection outturns 2023/24 saw City of Lincoln Council at 246<sup>th</sup> (2022/23- 240<sup>th</sup>) and North Kesteven 20<sup>th</sup> (2022/23- 9<sup>th</sup>) 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 6<sup>th</sup> and 1<sup>st</sup> highest collections, respectively.

In respect of Business Rates, up to the end of Quarter 1 2024/25 compared to the same point in 2023/24, in-year collection was down for Lincoln by 0.60%, North Kesteven up by 2.27% and West Lindsey down by 1.82%. At the end of August 2024, the figures painted a relatively similar figure for in-year collection with Lincoln collection down by 0.65% compared to August 2023, North Kesteven down by 0.87%, and West Lindsey down by 2.42%. There were 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).

In terms of the national context, the latest available figures for annual Business Rates in-year collection outturns 2023/24 saw City of Lincoln Council's in-year collection at 96<sup>th</sup> (2022/23 22<sup>nd</sup>), North Kesteven 39<sup>th</sup> (2022/23 14<sup>th</sup>) and West Lindsey 95<sup>th</sup> (2022/23 162<sup>nd</sup>) 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 4<sup>th</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> highest collections, respectively.

The number of outstanding Revenues Customers at the end of Quarter 1 2024/25 was 3,005 (split Lincoln 1,834, North Kesteven 1,171) – this compared to 797 (split Lincoln 609, North Kesteven 188) at Quarter 1 2023/24. At the end of August 2024, the figures were very similar in nature. There had been, and continued 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 included those from the Citizens Access Revenues self-serve portal, so there would effectively be a new 'baseline' for this measure of performance.

As at the end of Quarter 1 2024/25, in period collection of Housing Benefit overpayments stood at for City of Lincoln 124.63%, and North Kesteven 90.42%.

Outstanding Housing Benefit overpayments debt also continued to decrease overall. As at the end of Quarter 1 2024/25: at £2,135,045 for City of Lincoln and £1,190,944 for North Kesteven. At the end of August 2024, Housing Benefit overpayments collection debt stood at more than 100% for both authorities.

As at the end of Quarter 1 2024/25, there were 4,908 Benefits customers outstanding and awaiting assessment (split Lincoln 2,997, North Kesteven 1,911). This figure was higher than at the same point last year, Quarter 1 2023/24 (3,682 Benefits customers outstanding and awaiting assessment (split Lincoln 2,622, North Kesteven 1,060)). Demands on the team continued to be high, as well as there being a number of unforeseen staffing absences.

There continued 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 were also working on other schemes, such as Discretionary Housing Payments, and Household Support Fund.

Direction of travel was 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.

Despite the significant demands on the Benefits Team, officers continued to turn around claims and reported changes of circumstance promptly, and accurately. As at the end of Quarter 1 2024/25 City of Lincoln turned around new benefits claims in 14.20 days and North Kesteven in 17.61 days respectively. Changes of circumstances notifications were dealt with by City of Lincoln in 4.54 days and 6.72 days for North Kesteven respectively. As at end of August 2024, figures for changes of circumstances notifications were similar to that at Quarter 1 the previous year.

The latest national data available showed that in Quarter 4 2023/24 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 decreased in Quarter 4, due to high volumes of '1-day' changes processed due to annual rent, pension changes, etc). Also, these national figures were for a specific quarter only (i.e., Quarter 4 2023/24) and not cumulative over the financial year – which was how officers reported these areas of performance for our shared service.

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 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 showed the invaluable support provided by the Welfare Team to the residents of Lincoln and North Kesteven in Quarter 1 2024/25.

Outcomes and demands had generally increased throughout the team, for both partner local authorities. There were a number of key reasons why the levels of Welfare/Money advice in Lincoln was higher than in North Kesteven, including:

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

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

#### **41. Revenues and Benefits - Financial Monitoring Quarter 1 2024/25**

## Purpose of Report

To provide the Shared Revenues and Benefits Joint Committee with the first quarter's (ending 30 June 2024) performance for the Revenues and Benefits Shared Service for 2024/25, as detailed at Appendix 1 to the report.

## **Decision**

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

## Alternation Options Considered and Rejected

None.

## Reason for Decision

The forecast overturn for 2024/25 predicted there would be an overspend against the approved budget of £84,580.

The current MTFS assumptions reflected a pay award of 3% in 2024/25, however given the latest nationally proposed pay award was in excess of this, an estimate of the impact had been calculated at £41,180, split between each authority as follows; City of Lincoln £21,640 and North Kesteven £19,540. As this offer was yet to be accepted by the Unions, it was still subject to change, but was included in the forecast above.

The approved budget for 2024/25 was agreed by the Shared Revenues and Benefits Joint Committee on 22 February 2024, which set a budget of £3,075,650 for the service.

At Quarter 1 the budget was increased to reflect New Burdens grants totalling £27,480, giving a revised budget of £3,103,130.

Financial performance for the first quarter of 2024/25 as detailed at Appendix 1 of the officer's report resulted in an overspend against the approved budget of £6,882, including the nationally proposed pay award.

The forecast overturn for 2024/25 predicted that there would be an overspend against the approved budget of £84,580, as detailed at Appendix 2 of the officer's report (including the nationally proposed pay award). It should be noted that at the end of quarter 2 postage for Revenues Local Taxation was to be reviewed, as there was potential for a reduction/underspend in this area which would significantly reduce the projected overall overspend.

The main forecast year-end variations against the approved budget for 2024/25 were noted within the table at paragraph 4.3 of the officer's report.

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 had 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 would however not come into the Revenues and Benefits shared service budget and would stay in the individual local authorities' budgets.

## 42. **Business Rates Update**

### Purpose of Report

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

### **Decision**

That the content of the report be noted.

### Alternative Options Considered and Rejected

None.

### Reason for Decision

The report included some of the changes announced as a result of the 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 of the Exchequer announced a continued Government package of business rate measures to support businesses in England:

- Retail, hospitality and leisure relief would continue for 2024/25 at 75% up to £110,000 per business
- A freezing of the small multipliers for a further year at 49.9p 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. This relief had been extended for the year 2024/25. 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 2024/25.

Potential reductions to rateable values were contained within paragraph 6, which included hotels occupied by asylum seekers.

Under Section 66(1) of the Local Government Finance Act 1988, a property was domestic if used for living accommodation with the only exception being in

Section 66(2) which stated that a property was not domestic if being used in the course of a business providing short-stay accommodation to individuals whose sole or main residence was somewhere else.

Where a hotel was used as accommodation for refugees/asylum seekers, the occupants did 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 had 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 was a loss of Non Domestic Rating income to the authority which was not offset by the amount of a Council Tax paid for a Band H dwelling.

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

### *Business Rates Review*

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

- More frequent revaluations, moving to a revaluation every three years starting from the next revaluation which came into force on 1st April 2023, the next being 1st April 2026 and so on.
- The process of revaluation started approximately 2 years before the new valuations came into force. Therefore, the work had begun on collection of information for the list that would come into force on 1 April 2026
- For each revaluation, the Government introduced a Transitional Relief scheme. Transitional relief limited how much a bill could change each year. As the NDR system was self-financing, historically these limits had limited both large increases and large decreases. In the Budget, the government announced a change to the Transitional relief scheme so that only increases were limited. For any reduction in the rateable value, a ratepayer would receive the full benefit of the reduction immediately.

### *Heat Network Rate Relief Scheme*

The Government had published the guidance for Local Authorities on the operation of the Heat Network Rate Relief Scheme for 2023/24, substantially unchanged from 2022/23. Local Authorities were to continue to deliver the discretionary relief using their discretionary powers for 2023-24 until the relief was made mandatory through the Non-Domestic Rating Bill. This was now mandated from 1 April 2026. The relief was targeted at hereditaments used wholly or mainly as heat networks with its own rating assessment, to provide relief for those networks generating from a low carbon source to ensure the policy supported decarbonisation.

### *Business Rates Avoidance and Evasion Consultation*

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

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

One of the most prevalent rates avoidances schemes was to 'reoccupy' a property for 6 weeks and 1 day, empty the property again and claim a further 3 month exemption. The occupation was 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 had 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 was estimated to be - City of Lincoln £636k, North Kesteven £87k, and West Lindsey £65k

Whilst not illegal, the practice was considered to be rates avoidance and companies had 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.

#### *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 stated 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 did not apply to decisions in respect of 2023-24 onwards.

This was likely to mean that with effect from 1 April 2024 we would be able to make decisions 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 Valuation Office Agency (VOA), HMRC and billing authorities. The authorities already had a sharing agreement with the VOA but due to the changes with what they could now share,

we expected a new sharing agreement and protocol to be announced by the VOA.

### *Occupied for Purposes of Prayer*

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

A number of authorities were reporting that they were being informed that an empty restaurant, empty warehouse etc was 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 had been notified by several local authorities of our concerns.

### *Intention to Abolish Mandatory Relief for Private Schools*

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

Members discussed the content of the report in further detail.

## **43. Cost of Living Support**

### Purpose of Report

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.
2. To seek support for and approval in principle regarding implementation of an extended Household Support Fund/delegation to make this decision.

### **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 Joint Committee:

- a. Gave approval to 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.
- b. Delegated 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.

#### Alternative Options Considered and Rejected

None.

#### Reason for Decision

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

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

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

#### *Universal Credit (UC)*

The latest national figures published by the Department for Work and Pensions (DWP) were released on 9 July 2024, with statistics relevant to the period up to May 2024:

- 6,757,693 households receiving UC  
(this was an increase from 6,458,756 as reported at the last meeting of this Committee).

Local authority statistics:

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

As at the time of writing this report, further information was 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 continued to keep the whole LiNK team aware of UC managed migration and the potential impacts moving forward.

#### *Discretionary Housing Payments (DHP)*

On 13 March 2024, DWP announced DHP government grants for 2024/25. For City of Lincoln and North Kesteven, these were exactly the same amounts as for 2023/24 at £132,330 for City of Lincoln and £86,931 for North Kesteven respectively.

The table at paragraph 5.2 of the report broke down the number of DHP applications received and determined in Quarter 1 2024/25.

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 stood this was only a ‘one year unfreeze’.

#### *Household Support Fund*

The report gave an update 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’).

#### *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 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 2 April 2024, Lincolnshire County Council presented a report to its Overview and Scrutiny Management Board ([H \(moderngov.co.uk\)](https://www.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 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 proposed that funding be 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.

Allocated shares of HSF5 for our shared services were as follows:

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

Officers were 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.) were delivered to those identified as in need. A key focus was 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, was to try and leave a ‘legacy’ of impact – as there was no guarantee of a Household Support Fund scheme (or of another form of local welfare provision) beyond 2024/25.

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 were to be reclaimed for these costs – as was allowable under the scheme. A range of % administrative costs had been claimed by District Councils, in previous rounds of HSF.

#### *Extension of Household Support Fund wave 6 (HSF6)*

On 2 September 2024, the Government announced an extension to the Household Support scheme. 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.

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

Cost of living pressures were 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 would 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 would aim to deliver this fund/ these monies on a similar basis as previous rounds of Household Support Fund. On this basis, recommendation 11.2 of this report sought approval of a scheme in principle, and also to delegate these decisions to the Chief Executive of both partner local authorities.

### *Winter Fuel Payments and Pension Credit*

On 29 July 2024, the Chancellor announced that Winter Fuel Payments would become means-tested from 2024/25. Eligibility information had subsequently been made available on GOV.UK ([Winter Fuel Payment: Eligibility - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/winter-fuel-payment-eligibility)), as shown in paragraph 7.2 (of the officer's report).

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 had brought forward this activity, and communications and take-up activities were 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 9 September 2024 ( [“You could get Pension Credit” – Week of Action to drive take up - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/pension-credit-week-of-action)).

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 was available at this time, however officers would continue to engage with Department for Work and Pensions colleagues.

### *Financial Inclusion*

Financial inclusion continued to be a key objective and factor in many areas of LiNK's work. The Lincolnshire Financial Inclusion Partnership (LFIP) was currently chaired by the Assistant Director Shared Revenues and Benefits for North Kesteven District Council and City of Lincoln Council, - which brought together organisations and partners to promote and raise the profile of financial inclusion across the county.

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

- 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](https://www.the-storehouse.co.uk/)), 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.

In terms of the well-documented ongoing national cost of living pressures, both our partner Councils continued 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 \(n-kesteven.gov.uk\)](#) .

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

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<b>SUBJECT:</b>	<b>PERFORMANCE UPDATE</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE AND TOWN CLERK</b>
<b>REPORT AUTHOR:</b>	<b>MARTIN WALMSLEY, ASSISTANT DIRECTOR, SHARED REVENUES AND BENEFITS</b>

## **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 2 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 19 September 2024 meeting of this Committee, a report was presented detailing Shared Revenues and Benefits performance in respect of Quarter 1 2024/25.
- 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 2 2024/25, in-year collection for Lincoln is down by 0.20% and North Kesteven down by 0.36%. At this stage in the financial year, neither rate is cause for significant concern – although, as previously 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		End September 2024	Compared to end September 2023
Council Tax Collection	City of Lincoln	50.26%	Down by 0.20%
Council Tax Collection	North Kesteven	55.98%	Down by 0.36%
Council Tax Net liability	City of Lincoln	£57,678,423	Up by £3,315,811
Council Tax Net Liability	North Kesteven	£86,322,921	Up by £5,332,408

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 246<sup>th</sup> (2022/23 240<sup>th</sup>) and North Kesteven 20<sup>th</sup> (2022/23 9<sup>th</sup>) 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 6<sup>th</sup> and 1<sup>st</sup> highest collections, respectively.

- 4.3 The table below demonstrates the trend in Council Tax Support (CTS) caseloads. It can be seen that caseloads rose sharply in 2020 as an outcome of the impact of Covid-19 on the economy and residents' incomes. The caseload then plateaued somewhat and has generally been falling.

	City of Lincoln	North Kesteven
October 2024	8,119	5,377
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 2 2024/25, compared to the same point in 2023/24 in-year collections for the three shared service local authorities, are as follows:

- Lincoln up by 1.44%;
- North Kesteven down by 0.42%;
- West Lindsey down by 1.32%.

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		End September 2024	Compared to end September 2023
Business Rates collection	City of Lincoln	61.00%	Up by 1.44%
Business Rates collection	North Kesteven	63.68%	Down by 0.42%
Business Rates collection	West Lindsey	56.44%	Down by 1.32%
Business Rates Net Liability	Lincoln	£41,254,400	Up by £2,477,950
Business Rates Net Liability	North Kesteven	£34,522,678	Up by £3,587,590
Business Rates Net Liability	West Lindsey	£19,967,201	Up by £1,815,110

- 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 96<sup>th</sup> (2022/23 22<sup>nd</sup>), North Kesteven 39<sup>th</sup> (2022/23 14<sup>th</sup>) and West Lindsey 95<sup>th</sup> (2022/23 162<sup>nd</sup>) 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 4<sup>th</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> highest collections, respectively.

#### 4.7 Outstanding Revenues Documents

- 4.8 The number of outstanding Revenues Customers at the end of Quarter 2 2024/25 is 3,365 (split Lincoln 2,317, North Kesteven 1,048) – this compares to 1,376 (split Lincoln 688, North Kesteven 688) at Quarter 2 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. Officers can report that direction of travel since the end of September 2024 has been positive, - a verbal update will be provided to this Committee on 5 December 2024.

- 4.9 To give some context as to the workload of the Revenues Team, in Quarter 2 2024/25 10,643 items of post were received, 7,683 telephone calls taken, and 6,417 e-mails received.

#### 4.10 Housing Benefit Overpayments

- 4.11 As at the end of Quarter 2 2024/25, in period collection of Housing Benefit overpayments stands at:

- City of Lincoln: 127.16%,
- North Kesteven: 83.87%.

- 4.12 Outstanding Housing Benefit overpayments debt also continues to decrease overall. As at the end of Quarter 2 2024/25:

- City of Lincoln: £1,918,146,
- North Kesteven: £1,167,258.

## 5. Benefits Performance

- 5.1 As at the end of Quarter 2 2024/25, there are 2,554 Benefits customers outstanding and awaiting assessment (split Lincoln 1,670, North Kesteven 884). This figure is higher than that at the same point last year (1,697 Benefits customers outstanding and awaiting assessment (split Lincoln 1,156, North Kesteven 540)). Demands on the team continue to be high, as well as there being a number of unforeseen staffing absences. However, direction of travel is positive – the outstanding figure has reduced by 2,354 from the end of Quarter 1 2024/25 to the end of Quarter 2 2024/25.

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

- 5.2 Despite the significant demands on the Benefits Team, officers continue to turn around claims and reported changes of circumstance promptly, and accurately. As at the end of Quarter 2 2024/25:

<b>End Quarter 2 2024/25</b>	<b>City of Lincoln</b>	<b>North Kesteven</b>
<i>Housing Benefit New Claims</i>	13.78 days <i>(End Quarter 2 2023/24 16.61 days)</i>	17.46 days <i>(End Quarter 2 2023/24 18.58 days)</i>
<i>Housing Benefit Changes of Circumstance</i>	5.18 days <i>(End Quarter 2 2023/24 6.25 days)</i>	6.93 days <i>(End Quarter 2 2023/24 3.91 days)</i>

To give this position some context, the latest national data available shows that in Quarter 1 2024/25 New Claims were processed in an average of 21 days by Councils, with Changes of Circumstance being processed in an average of 8 calendar days. *Please note these national figures are for a specific quarter only (i.e. Quarter 1 2024/25) 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 2 2024/25:

- City of Lincoln: 95.13% (684 out of 719 checked),
- North Kesteven: 97.95% (525 out of 536 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 2 2024/25, the team has achieved the following:

<b>Quarter 2 2024/25</b>	<b>City of Lincoln</b>	<b>North Kesteven</b>
Advice provided enabling weekly value of additional benefits	£8,907	£4,763
Advice provided enabling lump sum award of additional benefits	£81,342	£58,869
No. of customers to whom help provided	1,609	540
No. money advice referrals	34	23

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 26 February 2025.

<b>Is this a key decision?</b>	No
<b>Do the exempt information categories apply?</b>	No
<b>Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?</b>	No
<b>How many appendices does the report contain?</b>	Appendix 1: Performance Data to end Quarter 2 2024/25
<b>List of Background Papers:</b>	None
<b>Lead Officer:</b>	Martin Walmsley, Assistant Director Shared Revenues and Benefits <a href="mailto:Martin.walmsley@lincoln.gov.uk">Martin.walmsley@lincoln.gov.uk</a>

Revenues and Benefits Joint Committee 5 December 2024  
Performance Update  
Appendix 1: Performance Data to end Quarter 2 2024/25

<u>Measure</u>		<u>Quarter 2 2024/25</u>		<u>Quarter 2 2023/24</u>	
Local Authority		NK	COL	NK	COL
Council Tax collection (cumulative)		55.98%	50.26%	56.34%	50.46%
NNDR collection (cumulative)		63.68%	61.00%	64.10	59.56%
NNDR collection – WLDC (cumulative)		56.44%		57.76%	
No. Revenues customers awaiting change to be processed		1,048	2,317	688	688
Total Net Arrears for Council Tax prior years (i.e. not including current year)		£3,791,901	£2,104,392	£2,954,648	£5,132,405
Total Net Arrears for NNDR prior years (i.e. not including current year)		(Credit £16,829)	(Credit £321,034)	(Credit £129,263)	(Credit £4,862)
Housing Benefit overpayments collection in period		83.87%	127.16%	97.02%	108.72%
Outstanding Housing Benefit overpayments debt		£1,167,258	£1,918,146	£1,258,896	£2,402,885
Housing Benefit New Claims: Average number of days to process (cumulative)		17.46 days	13.78 days	18.58 days	16.61 days
Housing Benefits Changes of Circumstances: Average number of days to process (cumulative)		6.93 days	5.18 days	3.91 days	6.25 days
No. Benefits customers awaiting assessment		884	1,670	540	1,156
% Benefits claims checked financially correct (cumulative)		97.95%	95.13%	97.77%	89.87%

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**SUBJECT: REVENUES AND BENEFITS - FINANCIAL MONITORING  
QUARTER 2 2024/25**

**REPORT BY: CHIEF EXECUTIVE & TOWN CLERK**

**LEAD OFFICER: MARTIN WALMSLEY, HEAD OF SHARED REVENUES AND  
BENEFITS**

### 1. Purpose of Report

- 1.1 To present to Members the first quarter's (ending 30 September 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 £29,390, as set out in Appendix 2.
- 2.2 The current Medium Term Financial Strategy (MTFS) assumptions reflect a pay award of 3% in 2024/25, however the nationally agreed pay award is in excess of this, and whilst the offer had since been accepted by the Trade Unions it was not paid until November 2024, as such an estimate of the impact had been calculated at £41,180, split between each authority as follows; City of Lincoln £21,640 and North Kesteven £19,540.

### 3. Background

- 3.1 The approved budget for 2024/25 was agreed by Shared 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, with no further changes at quarter two.

	<b>CoLC</b>	<b>NK</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Original Budget</b>	<b>1,629,170</b>	<b>1,446,480</b>	<b>3,075,650</b>
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
<b>REVISED BUDGET</b>	<b>1,642,910</b>	<b>1,460,220</b>	<b>3,103,130</b>

#### 4. Quarter Two Financial Performance and Forecast Outturn 2024/25

##### 4.1 Performance Quarter 2

Financial performance as at the second quarter of 2024/25 is detailed in Appendix 1 to this report. At quarter 2, there is an overspend against the approved budget of £1,837, including the nationally agreed 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 £29,390, including the nationally agreed pay award. Further detail is attached within Appendix 2 of this report.

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>
<b>Management</b>		
Pay Award	2,040	Impact of the Nationally agreed Pay Award for 2024/25.
Salary Costs	23,080	Temporary contract for the Cost-of-Living Co-Ordinator, which is offset against staffing savings within Benefits.
<b>Benefits</b>		
Salary costs	(135,110)	Vacancy savings expected for first 9 months pending recruitment.
Overtime	56,720	Additional hours required as a result of vacancies.
Pay Award	15,460	Impact of the Nationally agreed Pay Award for 2024/25.
Postage	28,600	Additional costs as a result of increased requirements.
IT Costs	33,940	New Software requirements, partially funded through New Burdens funding.
New Burdens	(27,480)	Additional grant funding to offset new IT cost pressures.
<b>Revenues Local Taxation</b>		
Staffing Costs	(11,760)	Vacancy savings expected for first 9 months pending recruitment.
Overtime	36,610	

Pay Award	18,910	Additional hours required as a result of vacancies.
Subscriptions	(4,320)	Impact of the Nationally agreed Pay Award for 2024/25. Expected savings on required subscriptions.
<b>Benefits/Money Advice</b>		
Staffing Costs	(7,780)	Vacancy savings expected for first 9 months pending recruitment.
Pay Award	4,770	Impact of the 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 £18,618, North Kesteven £19,175. These amounts will however not come into the Revenues and Benefits shared service budget, and will stay in the individual local authorities' budgets. Also, it is likely that internal administrative costs will also be claimed through Household Support Fund wave 6 (HSF6), in respect of 2024/25.

## 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 Term Financial Strategy.

## 7. Recommendation

- 7.1 Members are recommended to note the actual position at quarter 2.

**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  
[Martin.walmsley@lincoln.gov.uk](mailto:Martin.walmsley@lincoln.gov.uk)

Appendix 1 - Actual Position as at Quarter 2 2024/25

	Profiled Budget			Actual YTD			Variance YTD		
	CoLC	NK	Combined	CoLC	NK	Combined	CoLC	NK	Combined
Revenues & Benefits									
Management	118,350	118,350	236,700	126,668	126,668	253,336	8,318	8,318	16,636
Benefits	372,830	271,860	644,690	339,170	245,606	584,775	(33,661)	(26,255)	(59,915)
Revenues Local Taxation	244,820	254,810	499,625	263,467	274,221	537,689	18,647	19,411	38,059
Money Advice	72,390	72,390	144,770	65,624	65,624	131,248	(6,766)	(6,766)	(13,532)
<b>Total 2024/25</b>	<b>808,390</b>	<b>717,410</b>	<b>1,525,785</b>	<b>794,929</b>	<b>712,118</b>	<b>1,507,047</b>	<b>(12,879)</b>	<b>(4,974)</b>	<b>(17,853)</b>
National Pay Award							<b>(13,461)</b>	<b>(5,292)</b>	<b>(18,753)</b>
<b>Grand total</b>							<b>(2,643)</b>	<b>4,480</b>	<b>1,837</b>

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	248,395	248,395	496,790	11,125	11,125	22,250
Benefits	751,090	547,670	1,298,760	730,462	532,628	1,263,090	(20,628)	(15,042)	(35,670)
Revenues Local Taxation	508,210	528,940	1,037,150	512,589	533,511	1,046,100	4,379	4,571	8,950
Money Advice	146,340	146,340	292,680	142,680	142,680	285,360	(3,660)	(3,660)	(7,320)
<b>Total 2024/25</b>	<b>1,642,910</b>	<b>1,460,220</b>	<b>3,103,130</b>	<b>1,634,126</b>	<b>1,457,214</b>	<b>3,091,340</b>	<b>(8,784)</b>	<b>(3,006)</b>	<b>(11,790)</b>
National Pay Award							21,638	19,542	41,180
<b>Grand total</b>							<b>12,853</b>	<b>16,537</b>	<b>29,390</b>

Appendix 3 Impact of 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 Rates (NDR).

## **2. Executive Summary**

- 2.1 This report provides Shared Revenues and Benefits Joint Committee with an update on Non-Domestic Rates, 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 Rates 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 NDR relief, as well as forthcoming changes to the NDR system.

## **4. Retail, Hospitality and Leisure Relief (RHL)**

- 4.1 Eligibility criteria for the Retail, Hospitality and Leisure Relief was set out by the Department for Levelling Up, Housing and Communities (DLUHC), now called Ministry of Housing, Communities and Local Government (MHCLG) and issued to Local Authorities on 20 December 2021. No changes were made to the qualifying criteria for the year 2024/25. This can be found here:

- [NDR Information Letter 9/2021 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1000000/nldr-information-letter-9-2021.pdf)
- [NDR Relief: 2023/24 Retail, Hospitality and Leisure Scheme - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/nldr-relief-2023-24-retail-hospitality-and-leisure-scheme)
- [NDR Relief: 2024/25 Retail, Hospitality and Leisure Scheme - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/nldr-relief-2024-25-retail-hospitality-and-leisure-scheme)

This relief has been extended for the year 2025/26 –whether there are any changes to the currently eligibility are pending details being released by Government.

This is expected to end on 31 March 2026, with the introduction of the RHL multipliers.

- 4.2 Properties that benefit from the relief for 2024/25 are 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.

- 4.3 MHCLG 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.

This 'discretion' has resulted in a number of disputes during Covid and it is therefore imperative that this definition of what is RHL is comprehensive.

Challenges against the refusal of a local authority to award a discretionary relief is via Judicial Review. (RHL is considered to be a discretionary relief).

In the case where a local authority refuses to classify a property as RHL will be capable of challenge in a Magistrates Court.

As Judicial review is expensive, few cases/companies will pursue this through the Judicial Review process. However, the costs of challenging this via a Liability Order hearing at a Magistrates court will be significantly lower, and therefore we may see an increase in the number of challenges, an increase in case law and a legal precedent being set by the Court around entitlement.

- 4.4 Government will reimburse LA's that use their discretionary relief powers under Section 47 of the Local Government Finance Act 1988 (amended).
- 4.5 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.

<b>Awarded</b>	<b>City of Lincoln</b>	<b>North Kesteven</b>	<b>West Lindsey</b>	<b>Annual reduction</b>
<b>2020/21</b>	£28,002,354	£6,748,970	£5,048,076	100%
<b>2021/22</b>	£9,544,369	£3,890,932	£2,288,599	100% (Apr-Jun) 66% (Jul-Mar)
<b>2022/23</b>	£2,840,236	£1,691,974	£1,032,508	50%
<b>2023/24 End March 2024</b>	£4,043,245	£2,326,887	£1,423,924	75%
<b>2024/25 End October 2024</b>	£4,156,970 <i>(estimate on NDR1 government return £4,003,220)</i>	£2,423,037 <i>(estimate on NDR1 government return £2,336,514)</i>	£1,500,665 <i>(estimate on NDR1 government return £1,509,920)</i>	75%

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

## **5. NDR Charges and Significant Reliefs/Discounts**

5.1 At the Autumn Statement on 30 October 2024, the Chancellor announced that the Government would continue to provide a package of NDR measures to support businesses in England.

- The retail, hospitality and leisure relief (RHL) will continue for 2025/26 at 40% up to £110,000 per business. Although this relief is to continue, the reduction from 75% to 40% will be significant for a lot of businesses.
- The multipliers were announced for 2025/26 – the small business multiplier will be frozen at 49.9p again. The standard multiplier will be uprated by the September 2024 CPI rate to 55.5p (2024/25 54.6p)
- Going forward from 2026/27 the Government intends to introduce two permanently lower multipliers for retail, hospitality and leisure properties. This will be paid for by a higher multiplier for properties with a rateable value (RV) of above £500,000. This means that overall, there will be 5 different multipliers depending on the rateable value of the hereditament and the activities carried out at the hereditament. The details of these multipliers are not expected to be announced until the 2025 budget.
- Private schools are to lose their mandatory charity relief (80%) with effect from 1<sup>st</sup> April 2025, subject to Parliamentary process. Private schools which are 'wholly or mainly' concerned with providing full time education to pupils with an Education, Health and Care plan will remain eligible for the relief.

## **6. Multipliers from 2026**

6.1 The most significant announcement for NDR in the budget was the announcement of alternative multipliers mentioned in paragraph 5.1, for qualifying properties from 1 April 2026.

The full details of this are not yet known as this will require changes to the legislation and more information is expected to be released as the legislation is developed.

Like most current reliefs, the RHL is currently delivered using discretionary powers found in Section 47 of the Local Government Finance Act 1988. In order to provide more certainty, the Government want to make the RHL a permanent feature of the NDR system and to level up NDR between online retailers and the High Street – the changes to the multipliers may go some way to doing this.

Once this becomes part of the way the liability is calculated, it will no longer be a 'discretionary relief' under Section 47.

The five multipliers for 2026 are expected to be–

- Standard multiplier
- Small business multiplier
- Standard multiplier RHL
- Small business multiplier RHL
- Premium multiplier.

Any property with an RV in excess of £500,000 will have their rates calculated based on the premium multiplier, although properties in the RHL sector are expected to be based on either the Standard RHL or the Small business RHL. All other properties will therefore be calculated on either the standard or the small business multiplier as they are now.

- 6.2 Significant changes will need to be made to the current software in order for officers to be able to override the standard and small business multiplier in favour of the RHL where the activities at the property meet the RHL eligibility.
- 6.3 MHCLG will have to provide a methodology for compensating local government for the loss of income arising from this announcement. The amount raised from the premium charge is supposed to cover the cost of the lost income from applying the RHL multipliers, however this calculation may work at a national level, but it is unlikely to work at a local authority level.
- 6.4 Currently the RHL relief is capped by subsidy control and the relief threshold amount of £110,000 a business. As the new multipliers are no longer a 'relief' as it is now part of the calculation of the liability, the capping may no longer apply. Should a decision be made that the capping does apply, it would be almost impossible to implement the changes to the multipliers. The software must provide officers with the ability to apply or remove the RHL multiplier, this will help if a cap is set and will also be required for changes of use of a property.

## **7. Transforming NDR – Information taken from CIPFA**

This paper was published by the Treasury as part of the Budget papers. The Government wants to “create a fairer NDR system that protects the high street, supports investment, and is fit for the 21st century”.

The first step is the introduction of lower multipliers for retail, hospitality and leisure from 2026-27.

The paper invites business and other stakeholders to discuss how the government can deliver a transformed system.

The scope of the reforms and the objectives are to

- protect the high street
- encourage investment
- create a fairer system

The document sets out the areas where the Government wants to engage with stakeholders. Not everything in the document will be carried forward and reforms will be phased over the course of the parliament.

The impact on the local government funding system will be considered in the review of NDR which the paper acknowledges are an important source of revenue for local government. The Government wants to ensure that local government funding is not affected by these tax reforms.

The rates burden falls more heavily on property intensive sectors and the Government wants to rebalance the NDR burden and protect “the high street.”

The temporary RHL reliefs have meant uncertainty for businesses. The Government are looking to bring in more certainty by introducing a permanent reduction for retail properties with the introduction of the additional multipliers.

Other areas of reform include looking at the effectiveness of Improvement Relief, the loss of small business relief when taking on a second property, cliff edges in the system and empty property relief.

The Government will consider avoidance and evasion. It will look at whether the changes to the re-occupation rule has reduced the financial incentive to avoid NDR.

There will be consultation on a “General Anti Avoidance Rule” This was talked about prior to the general election and it was understood that a rule had been drafted but put on hold pending the election.

The Government will also look at the benefits and potential costs of shortening the gap between the Antecedent Valuation Date and the revaluation coming into effect. They will also look at increasing the frequency of valuations.

More frequent revaluations will require ratepayers to provide information to the VOA annually and changes in VOA processes.

Before these changes, there is ongoing work to make the 3 yearly revaluation cycle sustainable and on the VOA’s technology transformation.

The timetable for the information duty and phase 1 transparency which was to be implemented between 2023 and 2026 has been revised by the VOA, following consultation with ratepayers. The responses to the consultation have been published at the same time as the budget.

The Government is also going to consider the fact that overall, the rates yield does not change according to revaluations as the multiplier is altered and whether, instead, rate bills should move in line only with the value of the property itself.

The Digitalising NDR project (DBR) will provide more data and enable government to target financial support to businesses that need it most. The aim is to deliver the programme by March 2028.

The Government is also open to other suggestions for reform that fit with its overall objectives.

Views are invited especially from businesses and business representative organisations; local authorities; rating agents.

The professional bodies were not mentioned as such but are presumably included within the other categories.

There will be engagement between November 2024 and March 2025. To be involved parties must contact [transformingbusinessrates@hmtreasury.gov.uk](mailto:transformingbusinessrates@hmtreasury.gov.uk) by 15th

November. Our shared service officers have expressed interest in being part of this engagement.

## **8. Strategic Priorities**

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

## **9. Organisational Impacts**

### **9.1 Finance**

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

### **9.2 Legal Implications including Procurement Rules**

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

### **9.3 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.

## **10. Risk Implications**

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

## **11. Recommendation**

- 11.1 Members are requested to note this report.

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

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

## 2. Executive Summary

- 2.1 This report provides Joint Committee with an update with regard to the national and local position of welfare reform/ other initiatives, with a specific focus on Universal Credit, Discretionary Housing Payments, Household Support Fund 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 (DWF) released on 12 November 2024, with statistics relevant to the period up to September 2024:

- 7,078,771 households receiving UC (this is an increase from 6,757,693 as reported at the last meeting of this Committee).

Local authority statistics are also available:

- City of Lincoln – 13,142 (12,900 as at the last report).
- North Kesteven – 8,475 (8,172 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 the 19<sup>th</sup> April 2024 with plans to bring forward the managed migration of ESA cases. Notifications for this group commenced in September 2024.

DWP issued a letter to local authorities on 12 November 2024, which stated the aim of issuing the last UC migration notices in early December 2025, so that all in scope customers could be moved to UC and close legacy benefits (where appropriate) by the end of March 2026.

There have been numerous changes to the UC rollout/ migration timeline over the last decade, and the latest stated aimed timeline could be subject to change.

## 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 2 2024/25.

<b>DHP applications – 2024/25</b>	<b>City of Lincoln</b>	<b>North Kesteven</b>
Total number awarded	119 (Quarter 2 2023/24 = 182)	79 (Quarter 2 2023/24 = 97)
No. awarded for Housing Benefit	14 (Quarter 2 2023/24 = 46)	10 (Quarter 2 2023/24 = 21)
No. awarded for Universal Credit	105 (Quarter 2 2023/24 = 136)	69 (Quarter 2 2023/24 = 76)
Average DHP award	£666.56 (Quarter 2 2023/24 = £567.03)	£656.18 (Quarter 2 2023/24 = £604.76)

Local Housing Allowance (LHA) rates increased from 2024/25 ([Local Housing Allowance \(LHA\) rates applicable from April 2024 to March 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/local-housing-allowance-lha-rates-applicable-from-april-2024-to-march-2025)), having previously been ‘frozen’ for several years. Increased LHA rates may help affordability of rents for some private sector (and some social sector) tenants.

5.3 The table below shows DHP spend for quarter 2 2024/25:

	<b>Central Government - DHP Grant 2024/25</b>	<b>DHP total net paid as at 30<sup>th</sup> September 2024</b>	<b>DHP committed as at 30<sup>th</sup> September 2024</b>	<b>DHP total spend as at 30<sup>th</sup> September 2024</b>	<b>% Grant spent</b>
<b>City of Lincoln</b>	£132,330	£46,472	£32,840	£79,321	60%
<b>North Kesteven</b>	£86,931	£30,328	£21,510	£51,838	60%

## 6. Household Support Fund

6.1 Previous reports to this Committee updated on Household Support schemes going back as far as October 2021. This report updates on the position in relation to Household Support Fund wave 5 (‘HSF5’), as well as the current wave of Household Support Fund – i.e. wave 6 (‘HSF6’).

### 6.2 Household Support Fund wave 5 (HSF5)

HSF5 covered the period 1 April to 30 September 2024. Allocated (from DWP, then Lincolnshire County Council) shares of HSF5 for our shared service local authorities, were:

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

Working hard as a shared service, and with a range of fantastic, trusted partner organisations, distributing HSF5 to those in need of assistance with support for food, fuel and wider essentials, these monies were distributed as follows, (the remaining funding was,

in line with scheme guidelines, allocated and distributed as reasonable administrative expenses amongst delivery partners, as appropriate).

### City of Lincoln

Household Composition	Households with a Disabled Person	Households with Children	Households with a Pensioner	Other	
Number of Households Helped	639	1,696	575	1,588	
Amount of Award	£24,780	£105,965	£26,750	£59,685	<b>Total Paid £217,180</b>

### North Kesteven

Household Composition	Households with a Disabled Person	Households with Children	Households with a Pensioner	Other	
Number of Households Helped	268	725	234	350	
Amount of Award	£26,218	£82,221	£20,918	£13,868	<b>Total Paid £143,225</b>

## 6.3 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.*

Lincolnshire County Council has now received an allocation of HSF6 from DWP for Lincolnshire, and has recently updated their website as follows:

*As with earlier rounds, Lincolnshire County Council has worked with district councils to decide how the funding can be most effectively targeted to the Lincolnshire residents most in need, in line with government guidance.*

*Approximately 64% of the grant funding will be provided to schools and early years providers, targeting children eligible for benefit-related free school meals, early years pupil premium and families with a two-year eligible for early years entitlement. Those eligible will be contacted directly by their school or early years provider and will not have to apply for support. Eligible families should receive the support before the end of the year. 1% of the grant funding will be used to provide financial support to eligible care leavers in supported living accommodation. Again, those eligible will be contacted directly.*

*Approximately 34% of the grant funding to be made available to Lincolnshire's district councils to provide support to vulnerable households via local schemes. District councils (or third sector/voluntary organisations operating on their behalf) will provide an application-based process to ensure the funding is distributed in line with the grant conditions across local areas.*

Indicative allocations of HSF6 have now been made by Lincolnshire County, and have been accepted by our shared service local authorities, as below:

- City of Lincoln Council: £296,862
- North Kesteven District Council: £204,093.

Officers have been proactive in preparing for delivery of the HSF6 schemes in our districts, and a verbal update will be provided to this Committee on 5<sup>th</sup> December 2024.

## **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/winter-fuel-payment-eligibility)), as shown in paragraph 7.2 (below).

Lincolnshire Financial Inclusion Partnership (see Section 8 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 9 September 2024 ( ["You could get Pension Credit" – Week of Action to drive take up - GOV.UK \(www.gov.uk\)](https://www.gov.uk/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<sup>th</sup> 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. Officers are working as part of a small working group with national DWP as to what this closer working might mean and how it could best be delivered.

## **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. Autumn Budget 2024**
- 9.1 A number of announcements as part of the Chancellor's Autumn Budget on 30 October 2024 impacts on benefits and cost of living support, with highlights being:
- *The settlement provides £1 billion in 2025-26 to extend the Household Support Fund in England and Discretionary Housing Payments in England and Wales. Local authorities will use this funding to support households facing the greatest hardship.*
  - *The government is also helping low-income households on Universal Credit (UC) by creating a new Fair Repayment Rate. This will cap UC repayments at 15% of the standard allowance, benefiting 1.2 million households by allowing them to keep more of their UC award each month.*
  - *The settlement also allocates additional funding to increase the take up of Pension Credit and support work to allow the administration of Pension Credit and Housing Benefit to be brought together for new claimants from 2026.*
- Following the Autumn Budget, The Secretary of State for Work and Pensions has confirmed in a written statement to Parliament:
- *I have concluded my statutory annual review of state pension and benefit rates under the Social Security Administration Act 1992. The new rates will apply in the tax year 2025/26 and will mainly come into effect from 7 April 2025.*
  - *I am pleased to announce that the basic and new state pensions, and the standard minimum guarantee in pension credit, will be increased by 4.1%, in line with the increase in average weekly earnings in the year to May-July 2024. Other state pension and benefit rates covered by my statutory review will be increased by 1.7%, in line with the increase in the consumer prices index in the year to September 2024. This includes universal credit and other benefits and statutory payments linked to participation in the labour market; and additional state pension and pension credit elements other than the standard minimum guarantee.*
  - *Although not covered by my statutory review of state pension and benefit rates, I can also inform the House that local housing allowance rates for 2025/26 will be maintained at the 2024/25 levels, following their increase in April 2024; and that the benefit cap has not been reviewed for 2025/26 and will also be maintained at the 2024/25 levels.*
- 9.2 Officers will continue to keep abreast of the detail relating to these announcements, proactively responding as appropriate.

## **10. Strategic Priorities**

10.1 Both City of Lincoln and North Kesteven have a number of strategic priorities. Three that have an impact on the Revenues and Benefits Service are:-

- Lincoln: “Let’s reduce all kinds of inequality.”
- North Kesteven: “Our Communities,” “Our Economy.”

The Benefits Service plays a key role in reducing inequality by ensuring residents receive the benefits they are entitled to and providing money / debt advice. The Revenues Section is also mindful of the strategic priorities when engaging with business ratepayers as they recover business rates – and also promoting and encouraging growth in the districts. Digital Inclusion, Channel Shift / Customer Experience, Financial Inclusion, Employment, Skills and Partnership Working are all key priorities for the shared service.

### **10.2 Organisational Impacts**

### **10.3 Finance**

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

### **10.4 Legal implications inc Procurement Rules**

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

## **11. Risk Implications**

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

## **12. Recommendation**

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

<b>Key Decision</b>	No
<b>Do the Exempt Information Categories Apply</b>	No
<b>Call In and Urgency:</b> Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No
<b>Does the report contain Appendices?</b>	None
<b>If Yes, how many Appendices?</b>	N/A
<b>List of Background Papers:</b>	No
<b>Lead Officer:</b>	Rebecca Cox, Welfare Reform and Project Lead, <a href="mailto:Welfare.Reform@lincoln.gov.uk">Welfare.Reform@lincoln.gov.uk</a>

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