

**Present:** Councillor Ray Cucksey (*in the Chair*),  
Councillor Ric Metcalfe, Councillor John Money and  
Councillor Peter West

**Apologies for Absence:** Councillor Donald Nannestad

**10. Confirmation of Minutes - 28 June 2017**

RESOLVED that the minutes of the meeting held on 28 June 2017 be confirmed.

**11. Declarations of Interest**

No declarations of interest were received.

**12. Members' Summary of Reports**

Purpose of Report

To present the Joint Committee with a summary of the reports included on the agenda for consideration at this meeting, including:

- quarter 1 2017/18 financial monitoring;
- performance update;
- non-domestic rate update;
- non-domestic rate Invest to Save.

**Decision**

That the report be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

The report provided a brief summary of each item, setting out the main highlights prior to their full consideration later at this meeting.

**13. Revenues and Benefits Quarter 1 2017/18 Monitoring**

Purpose of Report

To provide the Joint Committee with the first quarter's performance for the Revenues and Benefits Shared Service for 2017/18.

**Decision**

That the actual position at quarter 1 of the 2017/18 financial year be noted.

That the budget adjustments for 2017/18, as set out in the table at paragraph 3.2 of the report, be approved.

## Alternative Options Considered and Rejected

None.

## Reason for Decision

The approved budget for 2017/18 contained a contingency budget of £20,000 within Revenues and Benefits management costs to cover unforeseen events. As part of the restructure of the service earlier in the year, it was reported that this had since been removed to cover additional staff capacity within the service. Paragraph 3.2 set out subsequent revisions to the budget.

In terms of the financial performance for the first quarter of 2017/18, there was an underspend against the approved budget of £9,082.

The forecast outturn for 2017/18 predicted that there would be an underspend against the approved budget of £64,023. A summary of the main forecast year-end variations against the approved budget for 2017/18 was set out in paragraph 4.3 and mainly related to general staffing, agency staffing, telephony and printing costs.

## **14. Non-Domestic Rates Update**

### Purpose of Report

To provide the Joint Committee with an update on current issues with non-domestic rates.

### **Decision**

That the report be noted.

### Alternative Options Considered and Rejected

None.

### Reason for Decision

Updates on the following schemes were noted in response to the Spring Budget 2017:

#### *Supporting Small Business Relief Scheme*

This relief scheme would be made available to those ratepayers facing large increases as a result of the loss of a small business or rural rate relief.

The number of hereditaments that were likely to benefit from the scheme at 1 April 2017 for each of the three authorities was as follows:

Loss of small business relief:

- City of Lincoln Council: 7
- North Kesteven District Council: 24
- West Lindsey District Council: 25

Loss of rural relief:

- City of Lincoln Council: 0
- North Kesteven District Council: 1
- West Lindsey District Council: 0

Software suppliers released the necessary software to implement this scheme on 21 August 2017 and up to this point officers had been manually adjusting accounts. A number of errors had occurred in testing the software and management were in the process of liaising with suppliers to resolve the issue, which it was anticipated would be very soon. Manual adjustments had ensured that those ratepayers who faced large increases as a result of the loss of small business or rural rate relief were not left waiting for relief to be awarded.

#### *Support for Pubs Scheme*

This relief was for pubs that had a rateable value of below £100,000. Under the scheme, eligible pubs would receive a £1,000 discount on their bill for 2017/18.

The number of hereditaments that it was anticipated may benefit from this relief at 1 April 2017 for each of the three authorities was as follows:

- City of Lincoln Council: 65
- North Kesteven District Council: 50
- West Lindsey District Council: 60

Officers had identified those ratepayers that may be entitled to relief and sent them application forms. By applying, ratepayers could declare whether any relief awarded would not exceed the state aid limit. The number of application forms returned as at 23 August 2017 were as follows:

- City of Lincoln Council: 16 (£16,000)
- North Kesteven District Council: 41 (£41,000)
- West Lindsey District Council: 54 (£54,000)

#### *Discretionary Relief Scheme*

A £300 million discretionary fund had been established by the Government to support those businesses that faced the steepest increases in their business rate bills as a result of the recent revaluation. The intention was that every billing authority would be provided with a share of the £300 million to support their local businesses. Billing authorities were expected to use their share of the funding to develop their own discretionary relief schemes to deliver targeted support to the most hard-pressed ratepayers.

The proposed breakdown of the £300 million was:

- £175 million in 2017/18
- £85 million in 2018/19
- £35 million in 2019/20
- £5 million in 2020/21

Chief Financial Officers of each billing authority had received letters on 28 April 2017 to confirm the grant distributions for 2017/18. The grant distributions for the three authorities in 2017/18 was confirmed as follows:

- City of Lincoln Council: £198,000
- North Kesteven District Council: £186,000
- West Lindsey District Council: £158,000

The Discretionary Relief Schemes were currently being considered by the respective Councils. Consultation had taken place with Lincolnshire County Council and the Police and Crime Commissioner who had indicated support of the scheme set out in the appendices to the report in respect of the City of Lincoln Council and North Kesteven District Council. Officers at West Lindsey District Council were working on their own report, with the Shared Service provide advice and support. With regard to the City of Lincoln Council and North Kesteven District Council, their schemes were due for consideration at meetings of their Executive on 25 September 2017 and 7 September 2017, respectively.

## **15. Non Domestic Rate Invest to Save Update**

### Reason for Report

To provide the Joint Committee with an update on the non-domestic rate invest to save project being undertaken by the City of Lincoln Council and North Kesteven District Council Shared Service.

To request an extension of the 'Invest to Save' role to 31 March 2018.

### **Decision**

That the Joint Committee agrees with the continuation of the 'Invest to Save' role to 31 March 2018 as a self-funding role to be funded from within existing shared services resources.

### Alternative Options Considered and Rejected

None.

### Reason for Decision

In August 2016 funding of £10,000 from the Lincolnshire Counter Fraud Partnership in relation to a non-domestic rates and Council Tax support project was secured. Having appointed an experienced non-domestic rates practitioner, the project consisted of a range of work to identify missing or undervalued properties. Details relating to this were set out in paragraph 4.1 of the report.

The approach to the project was outlined in section 5 of the report and as a result of the significant work undertaken:

- West Lindsey's rateable value for 2010 had increased by 295,062 and for 2017 by 403,377. For 2017/18, based on the multiplier, this equated to an additional £187,974 of business rates income;
- North Kesteven's rateable value for 2010 had increased by 433,410 and for 2017 by 549,600. For 2017/18, based on the multiplier, this equated to an additional £256,114 of business rates income;
- the City of Lincoln's rateable value for 2010 had increased by 119,018 and for 2017 by 143,318. For 2017/18, based on the multiplier, this equated to an additional £66,786 of business rates income.

The role was currently funded to 30 September 2017, during which time the officer would continue to review the information received from the Valuation Office and update the business rate system as necessary. There would also be a review of current reliefs, along with a review of the Discretionary Rate Relief Policy.

The cost of funding the role had been £41,595 for 2016/17 and £16,585 for 2017/18 up to 30 September 2017. The cost of extending the role from 1 October 2017 to 31 March 2018 was expected to be £16,585.

It was anticipated that an extension to the 'Invest to Save' role would see utilisation of the Institute for Revenues, Rating and Valuation's Business Rates Evasion and Avoidance Checker, designed solely for billing authorities in the United Kingdom. The role would also lead on tackling fraud and finding missing rateable business rates and taxbase in Council Tax.

## **16. Performance Update**

### Purpose of Report

To provide the Joint Committee with an update on performance in the Revenues and Benefits Shared Service for quarter 1 of 2017/18.

### **Decision**

That the report be noted.

### Alternative Options Considered and Rejected

None.

### Reason for Decision

Updates on performance in the Revenues and Benefits Shared Service for quarter 1 of 2017/18 were noted, as follows:

#### *Council Tax*

The annual in-year and quarter 1 2017/18 collections for Council Tax since the shared service was formed, both for the City of Lincoln Council and North Kesteven District Council, was set out in the table at paragraph 4.1 of the report.

Comparing 2017/18 to 2016/17, the City of Lincoln Council was above by 0.07%, with North Kesteven being down by 0.06%. This equated to an increase of £28,017 of the net collectable debit and a decrease of £34,275 respectively. It was noted that the collectable debit for both the City of Lincoln Council and North Kesteven Council had increased from 2016/17 by £1.99 million and £2.84 million respectively.

#### *Business Rates*

The annual in-year and quarter 1 2017/18 collections for business rates since the shared service was formed, both for the City of Lincoln Council and North Kesteven District Council, was set out in the table at paragraph 4.1 of the report.

In comparing 2017/18 to 2016/17, the City of Lincoln Council was up by 2.45%, North Kesteven District Council was up by 1.20% and West Lindsey District Council down by 0.23%.

Whilst collection for West Lindsey District Council was below the quarter 1 figure for 2016/17, it was noted that there had been significant improvements during the first quarter of 2017/18.

With an increased collection rate of 35.85% for the City of Lincoln Council and 41.42% for North Kesteven District Council, net receipt had also increased from 2016/17 by £0.87 million and £0.28 million respectively.

The Joint Committee agreed that this performance was encouraging.

#### *Council Tax and non-domestic rates (arrears)*

The figures for both Council Tax and non-domestic rate arrears were reducing during 2017/18 for the City of Lincoln Council and North Kesteven District Council, as outlined in the tables at paragraph 4.11 of the report.

#### *Outstanding Revenues customers*

The table in paragraph 4.12 of the report set out the number of outstanding revenues correspondence, not including email, in the Shared Service's document management system at the end of each of the last six financial years. The table indicated a positive position, showing the number of items outstanding at 31 March 2017 being by far the lowest over the last five years. It was acknowledged that there was a marginal increase recorded to the end of quarter 1 2017/18, which was as a result of reduced staffing levels during this period.

In terms of emails, the oldest date of emails on the system were 11 August 2017 but agency staff within the team were working towards an action plan which would see the service up to date with email correspondence by 14 September 2017. It was noted that the position would be improved in-year due to the continued implementation of changes to current processes through the introduction of new electronic, self-service forms.

The Council Tax Administration team was currently working with the City of Lincoln Council's Business Development team to implement processes to channel shift customer contact, internal contact and adopt 'lean' principles. These had included online e-forms for reporting a move or reporting changes for student accommodation. The e-forms were populated by the customer with their information, which was then integrated into the back-office system and removed the re-keying of information by the officer making the process much more efficient. The information, upon receipt, was reviewed with the information processed and an updated bill generated. Single person discount e-forms and a Direct Debit payment e-form were currently in the process of being rolled out.

#### *Housing Benefit overpayments*

As at 30 June 2017, in-period collection stood at 99.31% for the City of Lincoln Council and 66.42% for North Kesteven District Council. Effective collection and recovery arrangements were in place with a wide range of techniques being utilised. Officers acknowledged that, whilst there had been a significant increase in the amount of overpayments being raised through targeted work, the overall

figure had reduced due to the team no longer working under a backlog. An in-depth analysis of Housing Benefit overpayments during quarter 2 in 2017/18 would be undertaken to determine the main reasons why overpayments were occurring and why the outstanding debt continued to rise, despite effective processes and improved collection performance.

Outstanding Housing Benefit overpayments for the City of Lincoln Council and North Kesteven District Council were outlined in the table at paragraph 4.17 of the report.

### *Benefits*

The table at paragraph 4.18 of the report outlined the outstanding benefits work at the end of each of the last six financial years. The figures indicated that performance was in, by far, the best position in recent years and officers expected this to be maintained throughout 2017/18, whilst responding to the further challenges that were ahead for the Benefits Team in relation to welfare reform and legislative changes.

### *Average processing times*

The table at paragraph 4.19 of the report set out the average time for processing Housing Benefit new claims and changes of circumstance over the last three financial years.

For the City of Lincoln Council as at the end of quarter 1 2017/18, new claims and changes of circumstance had improved in comparison to the same period in 2016/17 with new claims improving by 6.56 days and changes in circumstance by 2.42 days.

For North Kesteven District Council, there had been an increase for new claims of 6.03 days. In analysing this, officers had attributed the increase to changes in how claims were being administered. Since the introduction of Citizens Access Benefits, officers had made their first contact to customers via email which customers had not responded to. These emails would normally request further information to support a claim, with a lack of response resulting in the claim taking longer to process. Officers reviewed this in early July and it was agreed that first contact would be via telephone, with follow up emails subsequently being sent. As a result of this the number of days to process a new claim had reduced to 20.38 days and officers expected this to reduce further throughout the year.

New claims received through the online Citizens Access Benefits portal had continued to increase throughout the year, with the number of claims received for quarter 1 2017/18 being 488 for the City of Lincoln Council and 220 for North Kesteven District Council. Officers were encouraging customers to use the online portal, to support the readiness of Universal Credit and to increase digital access.

### *Discretionary Housing Payments*

Discretionary Housing Payments expenditure was set out in the table at paragraph 4.20 of the report. Officers would continue to monitor this expenditure throughout the year and ensure its processing was as up to date as possible, making sure as much of the budget was spent as applied for.

The Joint Committee commended an excellent report.

The Joint Committee took the opportunity at the close of the meeting to welcome Martin Walmsley back to his role as Head of Shared Revenues and Benefits, following his secondment to another role at the City of Lincoln Council. The Committee also expressed its thanks to Claire Moses for the excellent work she had done in acting as the Head of Shared Revenues and Benefits in Mr Walmsley's absence.